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NEWS SUMMARY

GENERAL

Call for tougher laws on marches

The Public Order Act, under which marches and political demonstrations are controlled, should be retained and strengthened, says the Commons Home Affairs Committee.

The Conservative majority recommends that the Home Secretary should keep his powers to authorise blanket bans on processions if he fears they will seriously threaten public order.

But Labour MPs say existing criminal and civil laws are sufficient to deal with violence, and that the power to ban marches is wrong and undemocratic. Page 3.

Minister resigns

Turkey's lower House of Parliament forced Foreign Minister Hayrettin Erkmen to resign from the Cabinet by passing a censure motion. He was accused of being too pro-Western. Page 2.

Powell tax call

Mr. Enoch Powell, attacking the Government's economic strategy, particularly the failure to control public expenditure, called for heavier taxation. Page 3.

Gaza plan

Israel is to begin building two settlements within a month in the Gaza Strip—a move unlikely to improve already strained relations between Egypt and Israel. Page 2.

Life sentence

Park keeper John Dickenson, 27, was jailed for life at St. Albans for murder and arson. He raped and strangled Mrs. Susan Lowson, 25, at her Stevenage home, then set fire to her bedroom.

Suicide verdict

An inquest recorded a verdict of suicide on the wife of a former Buckingham Palace employee, Georgina Carlisle, 46, who took an overdose of barbiturates after being told to leave her home in the Royal Mews.

Detective jailed

Detective Constable David Chapman, 35, who has received 11 commendations for bravery and efficiency, was jailed for 18 months at the Old Bailey for his part in the theft of goods from a menswear shop.

Found dead

Managing director of Pickford Heavy Haulage, William Hurst Smith, 53, of Saffron Walden, Essex, was found dead with shotgun wounds. Foul play is not suspected.

Commuter record

Three Americans set up a "commuting record" of four hours 26 minutes between central London and central New York, using Concorde and two helicopters. They were delayed 24 minutes at Heathrow.

Wages freeze

A raider who grabbed a bag containing £1,700 in staff wages at a St. Neots, Huntingdon, supermarket dropped the cash and made off when a customer hit him with a packet of frozen beefburgers.

Briefly . . .

Police were looking for two Broadmoor patients missing after a coach trip to Poole, Dorset.

Midian's two airports were paralysed by 24-hour strike of 3,000 airport workers.

Thousands walked to work in Dublin because of bus strike.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

	RISES	FALLS
Excheq. 10.1pc	25.14 + 1	—
Excheq. 12pc	99.02 23.14 + 14	—
Aero and General	530 + 35	—
Arbuthnot Latham	217 + 7	—
Boots	244 + 6	—
Cornell Dresses	92 + 26	—
Derby Trust Cap.	215 + 8	—
Fashion & General	220 + 20	—
Ferranti	460 + 13	—
Gt. Portland Estates	234 + 6	—
Kode International	293 + 11	—
Manchester Sp. Canal	217 + 12	—
Matthews (B.)	255 + 30	—
Paul Y.	26 + 5	—
Photax (London)	71 + 8	—
Racial Electronics	322 + 13	—
Raybeck	71 + 3	—
Sompoirex	215 + 10	—
Standard Telephones	448 + 20	—
Witters	52 + 5	—

BUSINESS

Gilts up 0.51; \$4 rise for gold

GILT prices rose sharply and the Government Broker sold stock on a significant scale for the first time in six weeks. The Government Securities Index gained 0.51 to close at 69.44. Page 24; Back Page

EQUITIES were influenced by the strength of gilts and by interest in oil on the pos-

itive oil market.

The three proposed projects, each expected to cost about \$500m, are:

• A floating production platform to exploit a new oil discovery close to the Occidental group's Claymore Field in the North Sea.

• A petrochemical plant near Peterhead, Scotland, to convert ethane gas into ethylene, a basic material for the chemical industry.

• The reactivation of Occidental's on/off oil refinery plan for Canvey Island in the Thames Estuary.

The announcement, which surprised and caused some scepticism within the UK oil and chemical industries, was made by Dr. Hammer during a visit by Mrs. Margaret Thatcher to Occidental's Flotta oil terminal in the Orkney Islands, built primarily to handle the output of the Piper and Claymore fields.

The equivalent of about 17.5 per cent of UK oil consumption is flowing through the £250m terminal.

Dr. Hammer, the 82-year-old founder of Occidental, said the company was planning to

reinvent its UK oil profits. "We have great confidence in the UK and in Mrs. Thatcher's government and we think the climate and atmosphere is just right for further investment."

Few details were given about the schemes, only one of which—the production platform—was known to be planned by Occidental, Occidental and its partners—Getty, Allied Chemical and Thomson—recently struck oil some 2½ miles north

of the Claymore Field, while drilling a water injection well.

The discovery is thought to contain recoverable reserves of about 50m barrels, sufficient to justify development using a floating, semi-submersible unit.

Once the field has been exhausted the platform can be moved.

As the first step in the ex-

ploitation of the new discovery

Occidental has ordered a £250,000 eight-well drilling frame from Blackwell Engineering, a British Shipbuilders subsidiary. This frame will be positioned on the seabed.

It is understood that Occidental plans to order the platform from a British Shipbuilders' subsidiary.

Occidental's plans for a 6m

tonnes a year oil refinery at Canvey, in Essex, have been affected over the past decade by changed conditions in the oil products market and by planning inquiries.

The company originally obtained approval to build the refinery in 1971. Then the emphasis was on the proposed production of heavy fuel oil.

In 1975 Occidental halted construction, largely because of a market analysis which showed there was likely to be faster growth for premium refined products, such as petrol and naphtha, than for fuel oil.

Planning permission for the re-designed plant was held up while the Health and Safety Executive completed a two-year inquiry into safety standards in and around Canvey.

Oil industry executives, facing

dampened demand and increasing price competition, last night questioned whether this was a good moment to embark on UK refinery expansion. They also added that Occidental would still face stiff environmental opposition on Canvey.

Occidental said last night that the plans would be environmentally and locally acceptable.

However, it was conceded that the scheme, to turn North Sea oil into high grade products, was at an early stage and that planning permission had still not been obtained.

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OVERSEAS NEWS

Christopher Bobinski, in Warsaw, analyses the developing struggle for political power in Poland

Edward Gierek: a leader under attack from all sides

WHEN Mr. Edward Gierek, the Polish party leader, failed to turn up to a session of the Polish Parliament yesterday morning, nobody would have been surprised if it turned out that he had resigned.

This showed how fragile was his political position, at least inside the country. He has lost his standing with the population and is under attack from all sides within the leadership.

The theme of his policies in recent years as the economic situation deteriorated was to muddle through and not take drastic decisions which might provoke unrest.

This explains his soft line towards the Church, towards dissidence, and the leadership's lack of decision when it came to economic policies. Now Mr. Gierek is being attacked by the hardliners for his liberalism, which they say has led to

Poland's economic and political crisis, while the reformers are against him because he never gave the go-ahead for thorough reforms of the economy.

Mr. Gierek has maintained his position mainly by default. There is no shortage of potential successors but the feeling was that none was strong enough to outpace the others.

There is also the external aspect. Mr. Gierek is, after all, well-known in Moscow which is more nervous about the present labour troubles in Poland. His disappearance now could heighten Kremlin fears that the situation is getting out of control.

The leadership is fragmented—and one of the basic divisions is over how the new independent trade unions should be treated. This emerged last Saturday at the meeting of the

party's central committee which decided to give the go-ahead to the new unions.

By all accounts, the debate was ragged and the interruptions frequent, a sharp contrast to the traditionally dull meetings at which participants sit doodling while speakers deliver texts prepared and approved in advance.

Sharp contrast

It was accepted by all that the concession would have to be made but many thought that as soon as the situation returned to normal, the independent unions could be dealt with.

"We are taking a step to the right with the unions but that's better than taking a step over the precipice," one speaker is reported to have said.

Mr. Mieczyslaw Jagielski, the

man who negotiated the agreement to give striking workers in Gdansk their independent union, argued a different line. He told the Plenum that the authorities must work with the new unions otherwise the country would continue to face labour unrest.

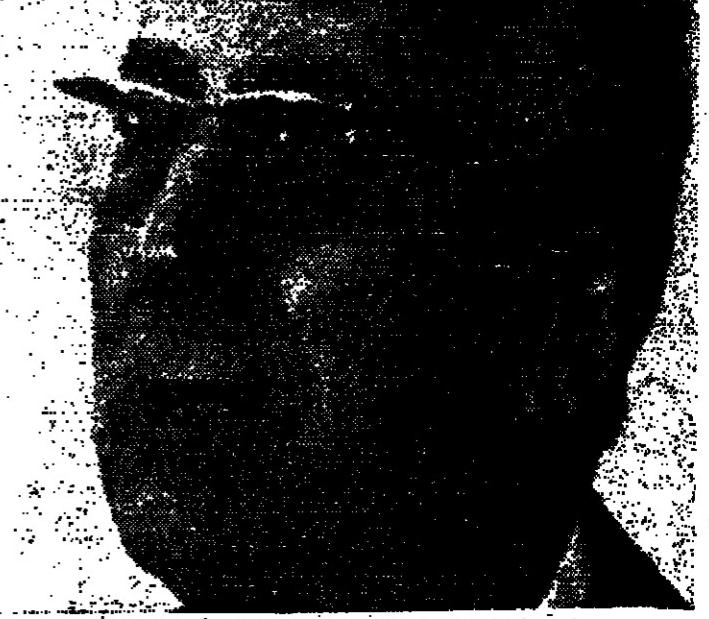
A similar attitude was taken by the Gdansk party committee led by Mr. Tadeusz Fiszbacha. Their view was that if the party is to run the country efficiently and not degenerate, it must be balanced by independent institutions like trade unions. These arguments did little to calm the fears of those present, however.

"What happens when the students want to start up their own union?" someone shouted. "What happens if 90 per cent of the workers join the new unions and only 10 per cent

stay in ours?" another demanded. Hardline speeches came from local party leaders in Poznan, Bydgoszcz and Wroclaw, all major urban centres which experienced strikes.

The other basic power group is the Warsaw Party organisation headed by Mr. Alojzy Karkoszka which is a traditional recruiting ground for the higher reaches of power. Here there is Mr. Stefan Olsowski, a relatively young man reputed to be an advocate of those reforms necessary to bring the country out of the crisis and who was ready to agree to the new unions.

But Mr. Olsowski, too, supports a hard line towards dissidence and few expect him to favour any liberalisation in the wider sense. Mr. Olsowski is supported by the reformers but it is unclear whether he has the backing of the party



Mr. Gierek: No surprise if he had resigned.

apparatus and the Government's administration.

In the present climate of uncertainty at party headquarters, it is said that only Mr. Olsowski and Mr. Stanislaw Kania, the man in charge of the army and security, are in fact still taking concrete decisions.

Since the beginning of the crisis Mr. Kania has stuck to the view that use of force would be counter-productive for the authorities and some speculate that he, too, is leadership material.

Muskie unhappy about union aid

BY DAVID BUCHAN IN WASHINGTON

THIS CARTER Administration is ready to try to underwrite increased credit for the Polish Government to buy more U.S. grain and farm products, but is unhappy about a cash contribution from the main U.S. labour federation to Poland's new independent trade union organisation.

Against the advice of Mr. Edmund Muskie, the Secretary of State, the AFL-CIO this week approved an initial \$25,000 (£10,350) to help put the Polish trade union organisation on its feet.

Mr. Lane Kirkland, the AFL-CIO president, was loudly applauded when he told his

federation: "The free trade union movement cannot advance in this world on little eat feet. I will not accept the suggestion that we pass you about it at all." Earlier, Mr. Muskie had expressed misgivings to Mr. Kirkland that cash from U.S. unions might be misinterpreted as subservient by the Soviet Union.

Administration officials said yesterday that President Carter's letter to European leaders urging that the West do all it can to help Poland applied equally to the U.S.

But the Administration has not yet decided formally to meet Poland's request for an in-

Czech attack on strikers

BY PAUL LENGYI IN VIENNA

RUDU PRAVO, the central organ of the Czechoslovak Communist Party yesterday levelled strong attacks at unnamed "anti-socialist elements" in Poland for the second consecutive day and drew parallels between the 1968 crisis and invasion of Czechoslovakia and the current Polish situation.

The newspaper charged that "western anti-Communist centres" were stepping up their ideological subversion and accused the West of waging "psychological war" against Poland and other socialist countries.

The hard-line Czech leadership, warning that Poland was

"an important link in the socialist community" said the Czech experience was that counter-revolutionary forces not only attacked the socialist system frontally but from time to time strove for erosion and disruption from within. These forces also wanted to destroy the unity of the Warsaw Pact states, Rudu Pravo added.

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Polish officials from the central bank and Finance Ministry were in Washington this week providing the Treasury with information.

Mr. Starkey noted that each year some 70 countries sought a share in the U.S. agricultural credit programme of \$2bn. Next year it would take the form of guarantees of commercial bank credit.

The hard-line Czech leadership, warning that Poland was

Soviet union leader 'poorly'

BY DAVID SATTER IN MOSCOW

THE LEADER of the Soviet Union's first independent trade union, Mr. Vladimir Klebanov, was reportedly yesterday to be in poor physical condition after treatment with strong behaviour modification drugs in a special psychiatric hospital in Dnepropetrovsk.

Mr. Klebanov, a former min-

ister from the Donbas region, tried in December 1976, to organise a union which would fight for Soviet workers' rights outside the official trade union structure.

Mr. Klebanov's grievances against the Soviet trade unions were similar to those of the Polish workers against the off-

icial trade unions in Poland, which are also part of the structure of Communist Party control.

The Soviet trade union group

was disbanded after a series of arrests in early 1977 and Mr. Klebanov was committed to the special psychiatric hospital in Dnepropetrovsk where Soviet dissidents have been held.

According to a reliable report, Mr. Klebanov has since been receiving continual forcible injections of behaviour modification drugs intended for severe paranoid or schizophrenics.

The effect has been to cause a severe swelling of Mr. Klebanov's face and to distort

his features and speech. His complexion has become yellow and the effect of one of the drugs has been to distort his physical movements.

Mr. Klebanov has continued

to insist that he is psychologically normal and to denounce his detention in hospital as a form of repression, but this has only led to him being given extra injections of drugs with painful effects.

According to the report, Mr. Klebanov is forbidden to walk in the corridor and is only allowed out of his room for one hour a day when 300 people at a time are taken for exercise in the hospital yard.

Mixed comfort for Carter

BY DAVID BUCHAN IN WASHINGTON

GOVERNMENT FIGURES released yesterday showing a modest dip in unemployment in August and at the same time a continued surge in wholesale prices provided mixed comfort for President Carter, whose handling of the economy is a bedrock issue in the U.S. election campaign.

The unemployment rate edged down from 7.8 per cent in July to 7.6 per cent last month. The Labour Department reported that total employment remained steady in August and the reason for the improvement was that more hiring in the broad manufacturing sector outweighed a further decline in construction industry jobs last month.

The producer or wholesale price index rose 1.5 per cent in August, compared with the index's 1.7 per cent increase in July, the Government announced yesterday. Two-thirds of the August increase was blamed on food prices, aggravated by this summer's drought.

Wholesale food price changes take a relatively short time to show up at the retail level, and American consumers could be paying sharply higher prices in the shops just as the presidential election enters its final weeks.

The wholesale price index last month stood at 249, with 1967 as the base year of 100.

The jobless rate for workers in manufacturing dropped a full percentage point last month, to 9.3 per cent, reflecting a recovery there evident from other economic indicators. But unemployment among construction workers rose another 2.2 points in August to 18.3 per cent compared with only 10.5 per cent last February.

The emerging picture is of an economy recovering more quickly than anticipated from a recession that has done less than expected to depress inflation.

The Administration can draw some relief from the fact that its forecast of unemployment rising to 8.5 per cent in the last quarter of 1980 so far looks pessimistic. Since the big increase in the number of people thrown out of work in April and May, the overall unemployment

rate has shown relatively little movement.

But inflation is still high. Wholesale prices are a gauge of future consumer price movements, which are the most politically-sensitive measure of inflation. Apart from food, however, the Government reported that the rise in wholesale prices of other goods moderated slightly from July to August.

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UK NEWS

Review of listing procedures welcomed

MPs urge more control over demonstrations

By RICHARD EVANS, LOBBY EDITOR

CONSERVATION SOCIETIES yesterday welcomed the decision by Mr Michael Heseltine, Secretary of State for the Environment, to review immediately the procedures for listing buildings of historic or architectural interest.

Mr Heseltine is particularly anxious to see whether the time between the recommendation that a building be listed and its formal addition to the list is too great.

He is asking local authorities to identify buildings of particular importance that they have recommended which should be taken from the pipeline and given priority listing.

The Department of the Environment initiative was provoked by the demolition last month of the Firestone Building in west London, which had been recommended for listing.

Mr Heseltine said: "I greatly regret the events surrounding the recent demolition of the Firestone building. The building was not on the statutory list of buildings of architectural and historic interest, which would have protected it over the Bank Holiday weekend—but it was known that my Department was considering its addition to the list."

The Victorian Society said yesterday it had been concerned about the backlog in listing for some time "and we much welcome the fact that the Environment Secretary is aware of the problem."

Hermione Hobhouse, secretary of the society, said it was unfortunate that there had to be "a martyr building" before action was taken.

She said that the small number of inspectors available to investigate buildings meant full revisions of the original lists, due to be carried out during the 1980s, would probably not now be completed until the turn of the century.

Thirteen part-time inspectors evaluate buildings, the equivalent of four full-time workers.

Mr Heseltine said there had been no reduction in staff since the change of Government. There were over 270,000 buildings on the list and 7,000—8,000 were added each year.

THE CONTROVERSIAL Public Order Act, 1986, through which marches and political demonstrations are controlled, should be retained and strengthened, according to a report published yesterday by a select committee of MPs.

The Conservative majority on the Home Affairs Committee recommends that the Home Secretary should retain his powers to authorise "blanket" bans on processions if he fears they will seriously threaten public order.

This provision and others were strenuously opposed by the Labour minority on the committee, led by Mr Alex Lyon, Home Office Minister.

The Labour MPs argued that existing criminal and civil laws were sufficient to deal with violence and that the power to ban marches was wrong and unnecessary.

democratic in principle. The Home Office is conducting a review of public order legislation following criticism of the violent picketing at Grunwick and the Southall and Lewisham riots.

The main recommendations made by the committee, chaired by Sir Graham Page, Conservative MP for Crosby, are:

• The criteria applied by police chiefs for imposing conditions on a march should be extended to include reasonable prospects of serious disruption to the normal life of the community, as well as of serious public disorder at present.

• The provisions of the Public Order Act should be extended to cover static demonstrations as well as marches and processions.

• The organisers of any procession should be required to tell the local chief constable of their plans 72 hours in advance. This could clearly have the effect of banning flying pickets.

Sir Graham said the public wanted a recommendation of this sort. Fines of up to £400 would be imposed on organisers for breaking the 72-hour notice rule.

The report suggests the police should be encouraged to control the use of flags, banners and emblems likely to provoke a breach of the peace.

Fifth report, from the Home Affairs Committee, session 1979-1980; the law relating to public order; SO £3.90.

Decline in wine trade deepens

By Gareth Griffiths

WINE SALES in the U.K. are continuing to slow down with no sign of any immediate upturn according to figures released by the Wine and Spirit Association yesterday.

Customs and Excise wine duty figures for May showed a 3.8 per cent fall compared to the same month last year. The monthly total of 25,195,700 litres was 11,972,800 litres down on the 1979 figure.

This dramatic fall is misleading and overestimates the weak position of the wine business. Wine sales have been doing badly this year but comparisons with 1979 are distorted by heavy pre-Budget buying then.

The wine trade is still worried that the 1980 figures are well down on 1979.

A more realistic guide to the state of business is the moving annual total of wine on which duty has been paid. To May the total was up 5.1 per cent on 1979 but the increase had slowed down from 11.4 per cent in April. That slow down is likely to be repeated in figures for the summer months.

Heavy wines, mainly ports, have borne the brunt of the decline. Light wines, because of promotion of cheap table wine by several supermarket chains, have held up relatively well.

Publishers bid to end misuse of copiers

By Raymond Snoddy

THE Periodical Publishers Association, which represents nearly 80 per cent of Britain's magazine publishers, has drawn up a code to try to prevent multiple illegal photocopying of their publications.

The association claims local education authorities are the main culprits and that their resource centres are running off multiple copies of books and articles for schools.

"This is happening on a very grand scale. Thousands of copies are being made of magazine articles," Mr Gordon Hurst, secretary of the Periodical Publishers' Association copy-right committee said.

The association's Code of Fair Practice aims to lay down the law and see it is obeyed.

Single copies for personal study, filing or space-saving are permissible under the code, but not copying to evade purchase, for anthologies or for sale.

Mr Hurst said the Music Publishers' Association had taken legal action against Wolverhampton Metropolitan Authority and had won an out-of-court settlement.

Several bodies are investigating how to cope with such infringements of copyright, and the Department of Trade is preparing a Green Paper on the subject.

500 forestry jobs saved

By RAY PERMAN, SCOTTISH CORRESPONDENT

MORE THAN 500 forestry jobs for three years. They were threatened by the closure of the Fort William pulp mill have been saved by export contracts with private suppliers and timber merchants, which will provide pulpwood a year to Scandinavia.

Prices being paid by the Scandinavians are not being disclosed, but the commission said they would be roughly similar to levels obtained up to now in Scotland.

The export contracts have been agreed with a number of companies, mostly in Norway and Sweden, and will last exports regarded as a short

term measure designed to safeguard jobs in forestry and transport which would otherwise be lost by the closure.

The main aim of the commission would continue to be the promotion of alternative wood processing industries in the Scottish Highlands. This had been made clear to all prospective buyers from Scandinavia and the terms of export contracts would enable the commission to respond to any new proposals for using the wood in Scotland.

Dupont Steel to shed 275 jobs

FINANCIAL TIMES REPORTER

DUPONT STEEL is to make 275 workers redundant at its Llanelli works by the end of the year, in addition to the 300 laid off in April.

The privately owned company, which employs about 1,350 people, said that the new cuts would affect its output capacity only slightly. The company felt it was in the trough of the recession, and was hoping for a recovery in demand towards the end of the year or early next year.

The Perkins diesel engine company at Peterborough is cutting 150 administrative jobs, after making redundant 900 production workers earlier in the year. It has blamed fierce international competition and the recession for the cutbacks.

With a total workforce of 9,000, Perkins is the world's biggest manufacturer of diesel engines, exporting 85 per cent of its output.

Recal, the electronics group, confirmed yesterday that it would have to make up to 650 redundancies and relocations at its Decca subsidiary in order to bring the company back into profit.

Recal said that there will be 350 redundancies, out of a total workforce of 7,000, due to a slimming down of the company's small boat radar operation.

There were also up to 350 people near or at retirement age at Decca who were to lose their jobs.

The Aladdin vacuum flask

factory in Hartlepool made 90 workers redundant yesterday because of falling demand. Only last month the company put the total workforce of 250 on a four-day week in a bid to avoid pay-offs.

The closure of two clothing factories at Chatteris, Cambridgeshire—Katerina Fashions and Tony Powell Sportswear—is to make 80 people unemployed, mainly women: the companies blame the recession.

W.A. Gould Holdings is to close its luggage and sports bag factory in Kettering, Northants, because of a fall in demand. About 40 workers will lose their jobs. Production is being transferred to the company's Walsall plant.

Outline of dawn raid regulations revealed

BY CHRISTINE MOIR

THE DAY of dawn raids is over. At least the Council for the Securities Industry hopes so.

The broad brush regulations foreshadowed yesterday—details have yet to be supplied by the working party and the Stock Exchange in time for the October 2 CSI meeting—will outlaw surprise attacks on more than 15 per cent of a company's shares.

Below that level, the council hopes, companies will not mind share stakes changing hands and predators will not be willing to mount expensive market forays to snatch them.

Heavy wines, mainly ports, have borne the brunt of the decline. Light wines, because of promotion of cheap table wine by several supermarket chains, have held up relatively well.

regulations covering acquisitions in this area, if for any reason this proves to be necessary."

In these words the CSI underlines its determination to end one of the market's favourite occupations this year. It has no wish to interfere unnecessarily in market operations," according to yesterday's document, "but recent history shows that the council has demonstrated the need to balance the interests of the raider against the widely-held views about the need to protect the interests of the target company and its shareholders."

Below that level, the council hopes, companies will not mind share stakes changing hands and predators will not be willing to mount expensive market forays to snatch them.

From now on any predator which wants to buy more than 3 per cent of the voting capital of a company, thereby taking its

own stake to 15 per cent or more of the equity, will need to give five days' notice.

Market operators, who have conducted 10 dawn raids this year, had expected that some delay would be built into the new regulations, but few had expected it to be of this length.

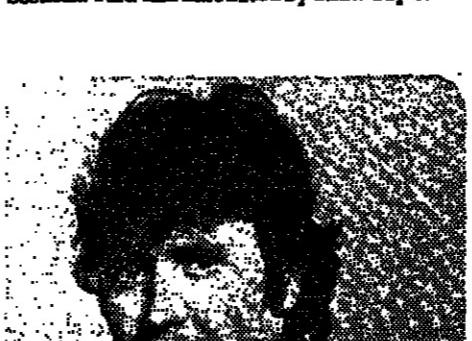
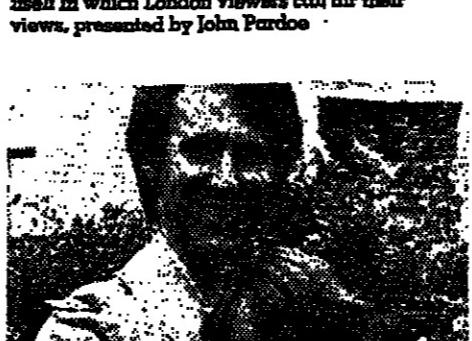
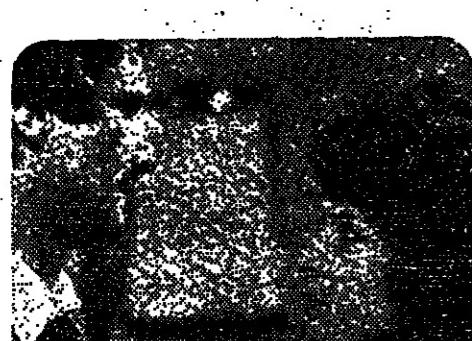
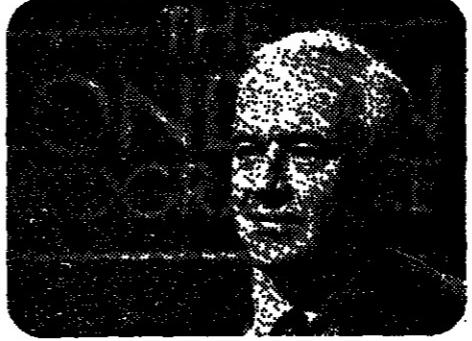
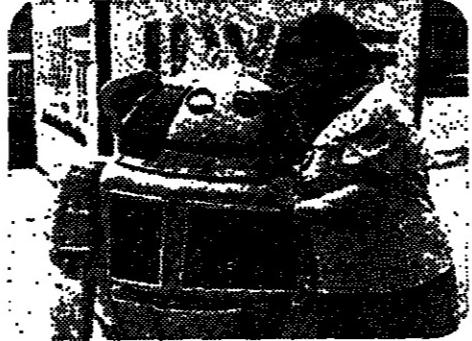
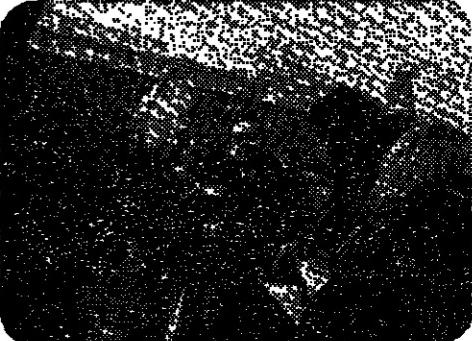
The Stock Exchange's own investigative committee, which studied the controversial De Beer's raid on Consolidated Gold Fields in February, had only recommended a half-hour notice period.

That modest interruption to the market met stiff opposition within the Stock Exchange Council but it has been overruled by the CSI announcement.

The CSI has left it up to the buyers will also be permitted if they prefer these to the tender system. But the CSI has firmly decided against making this the only method of obtaining a stake below the 30 per cent which triggers off a full bid.

Predators will not, under the CSI rules, be able to use the loophole in the disclosure provisions of the Companies Acts.

Programmes for the Autumn from London Weekend Television



THE SOUTH BANK SHOW, LWT's weekly programme about the arts, edited and presented by Melvyn Bragg, pictured with Claudio Abbado.

WORLD OF SPORT, produced by LWT every Saturday for the ITV network and introduced by Dickie Davies.

HOLDING THE FORT, a new comedy series starring Peter Davison and Patricia Hodge.

20TH CENTURY BOX, LWT's programme about and for teenagers, introduced by Danny Baker.

SAMMY AND BRUCE, Sammy Davis Junior and Bruce Forsyth star in a one-hour show.

Programmes produced by London Weekend Television, the ITV station for the London area on-air every weekend from 7 pm on Friday until closedown on Sunday

UK NEWS

Why canned sprats are something of a red herring

WHEN IS A sprat not a sprat? Answer: when it is canned for sale in the UK. Then it must be called "sild," writes Richard Mooney.

British fish canners claim that this situation, which results from the ludicrous tangle of UK food labelling regulations, is costing them a large slice of the home market and denying the country's fishermen a potentially valuable outlet for their catch.

The trouble is that British consumers seem to find the term sild every bit as unappealing as sprat. So the canners want to call their canned sprats "Scottish sardines" or "brisling sardines," names they believe would be less offputting.

Before the cry of "decep-

tion" goes up, it should be pointed out that while sprats certainly are not sardines from a zoological standpoint, neither are they sild, which is the Norwegian word for young herring. Under labelling regulations as they stand, however, sild is all they can legally be called in the UK once they are put in cans. Amazingly, even the correct name of sprat is ruled out.

They could be called "brisling" if it could be guaranteed that the cans contained no young herring, which can only be called sild. But this is impossible since the two species frequently swim together and it would not be feasible to separate them before canning.

Consumer tests carried out

by the Canned Food Advisory Service (CFAS) have shown that when the name is not a factor few consumers can distinguish between canned sprats and canned sardines, and those who can rarely have a taste preference between the two. The canners claim, therefore, that the principle of "passing off" does not apply since the distinction between the two products is not one of quality.

In the UK 60m cans of imported sardines, worth £20m at shelf prices, are consumed each year. But sales of sild are negligible. British processors believe they could win a substantial share of the home market if their product was not saddled with the name sild.

Export experience tends to support this contention. Described as Scottish, Cornish, Irish and brisling sardines, between 30m and 35m cans of British-caught sprats are exported annually, indicating that foreigners find the product appealing under the names.

The canners' problems began in 1975 when a Portuguese producer won a British court ruling reserving the name sardine for the young of sardinella pilchardus (pilchards). Previously the term had been used to describe any small oily fish packed in cans with the heads removed. This is still the case in most other countries, including the U.S.

In view of the strength of

the consumer protection lobby in Britain, the canners will have to battle very hard indeed to have the 1975 ruling reversed. They are trying to enlist the support of the consumer associations in their fight, however, and if they succeed victory is not out of the question.

CFAS claims sardine "sardines" could win a big enough share of the home market to provide work for an entire fish processing factory. Extra jobs would also be created in the can manufacturing industry and some of the pressure on the fishing industry would be relieved. With unemployment at its present level, this argument could just tip the scales in the canners' favour.

Anger over attacks on nationalised industries

Congress overwhelmingly approved motions calling on the TUC general council to campaign against the Government's use of cash limits for nationalised industries, and to resist the de-nationalisation programme.

The general council was asked to counter a Government campaign of "abuse, misrepresentation and belittlement" of nationalised industries, their management, employees, and unions.

Mr Bill Sirs, general secretary of the Iron and Steel Trades Confederation, said that policies which placed undue emphasis on the achievement of purely party political objectives "might well be unnecessarily divisive." It was ruled by Mr Terry Parry,

the TUC chairman, to have been defeated by a show of hands on a card vote, the voting in favour by the transport workers, engineers, local government officers and civil servants was enough to defeat the miners, railway workers and others by 7,998,000 votes to 3,328,000, a majority of 4,670,000.

Mr John Lyons, the EMA general secretary, moving the motion, said that there was a tendency in the TUC to lean too heavily on a future Labour Government to do everything for party only reduced the TUC's independence when that party came to power.

The present divisions in the Labour Party—which Mr Lyons said were "clearly reflected in this congress"—between Left and Right over constitutional issues had increased the significance of the question.

Loyalties to Labour divide delegates

"I believe it could place the unity of this congress under great strain if some of the new philosophies now being argued over in the Labour Party were to triumph, and were then to be imposed on the TUC either by a Labour government or by virtue of other unions links with, and commitments to, the Labour Party."

Mr Lyons considered that no party political conference was to determine whether there should be an incomes policy affecting his members.

Seconding the motion, Mr Leif Mills, general secretary of the Banking, Insurance and Finance Union, acknowledged

Reports by John Lloyd, Philip Bassett and Nick Garnett.

that most of the issues debated by congress were political—but they were not party political. It was the prerogative of unions to adopt party political attitudes, but equally other unions might not wish to do so.

The motion, however, was fiercely attacked by Mr Eric Clarke of the National Union of Mineworkers, who welcomed the growth of white-collar unions in the TUC, but said that they could not force Congress into accepting this kind of a proposal.

Mr Len Murray, the TUC general secretary, accepting the motion on behalf of the General Council, said that any member union was entitled to affiliate to the Labour Party, but that the TUC itself needed to be free to pursue the objectives defined by congress.

Fisher new congress president



Mr. Alan Fisher, new president of the TUC.

THE BIGGEST single problem facing the trade union movement in the coming year was the Employment Act, Mr. Alan Fisher, the new president of the TUC, said yesterday.

The TUC would be directly involved on the first occasion when a union ran into trouble over the law, said Mr. Fisher, general secretary of the National Union of Public Employees.

Mr. Fisher, aged 58, has replaced Mr. Terry Parry, leader of the Fire Brigades Union, as president. He said the overwhelming concern of the union movement would be unemployment.

He also warned that the

Restoration of free NHS treatment demanded

A MOTION demanding a big increase in the proportion of national income spent on health care, to restore free National Health Service treatment, was passed by congress.

Delegates approved a motion from the Association of Cinematograph, Television and Allied Technicians for an adequate level of long-term financing for the BBC. They also want satellite transmissions subject to strict regulatory control, and the congress is committed to resisting attempts to carry advertising on subscription TV.

Mr. Kitson is to report on the meeting to a national delegate conference, probably later in the week.

The Merseyside Docks are at the centre of the dispute, but dockers at the major ports of Hull, Glasgow and Southampton have voted to support any action taken by their Liverpool colleagues.

The cause of the dispute is the proposed layoff of 178 workers, many of them registered dockers, from the two Liverpool stevedoring companies of Bulk Cargo Handling Services and T. & J. Harrison.

Both companies are closing down, the former on September 16, the latter at the end of the month.

Under prevailing practice, the workers would have been found jobs by other local employers. But the Mersey docks employers have said they will not employ the workers because they are already over-staffed.

The Mersey dockers had threatened to strike from September 17 if the first group of workers to be made redundant are not found jobs.

However, Mr. Kitson said that an agreement had been reached to delay the redundancies, thus giving some breathing space.

It has been proposed that the 178 workers, once redundant, should move on to the temporary unattached register which, under the terms of the Jones/Aldington agreement of 1972, is used only for disciplinary purposes or for dockers who are between work for a few days.

Dockers' shop stewards up and down the country see this move as a serious breach of practice which would lead to large-scale redundancies.

the fourth TV channel to adopt the quota of British programming observed by ITV and the BBC.

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Business would wind up with tributes from Mr. Terry Parry, the retiring president, to three members of the TUC general council who are also retiring from the council.

They are Mr. John Chalmers, general secretary of the Boilermakers' Union, Mr. Joe Gormley, president of the Mine-workers' Union, and Mr. Harry Urwin, of the Transport Union.

Their places on the council are being taken by Mr. James Murray (Boilermakers), Mr. Arthur Scargill (Miners) and Mr. Larry Smith (Transport).

Mr. Gormley and Mr. Urwin, who have been on the council for more than five years, received gold medals from Mr. Parry.

OTHER LABOUR NEWS

Few at meeting on Vauxhall pay

BY PAULINE CLARK
LABOUR STAFF

FEWER THAN 400 of Vauxhall motor company's 5,000 transport union workers at Luton turned up for a meeting on pay yesterday—further evidence of the apparent distaste of British car workers for a big pay battle this year.

The meeting decided to follow the vote of the plant's engineering union members this week to hold a secret ballot on the company's 8 per cent pay offer.

The offer to Vauxhall's hourly-paid workforce of 23,000 was rejected overwhelmingly at a mass meeting in Elllesmere Port on Thursday, but that meeting was also poorly attended by the 3,000 members of the Transport and General Workers' Union.

Shop stewards at Luton said weather might have contributed to the poor turnout, but they also spoke of "apathy" at the plant, where the 10,800 hourly-paid workers are already on a two-day week because of the recession in the motor industry.

The claim and the offer refer to minimum time-rates within the industry's two-tier bargaining system. Following last year's settlement after a long dispute, minimum time-rates will rise at the anniversary date of each member company's annual local agreement.

The federation has stressed to union negotiators that the industry's productivity is not high enough and that a large wage deal would even further erode its weak position. Some federation officials appear to believe that a very large proportion of workers accept that view.

The unions have submitted a claim and are looking for increases of about 20 per cent. They have told employers that

such a level of settlement is justified and should be shouldered by the industry.

The Engineering Employers' Federation, which is to conclude consultations with member companies on Monday, has already told union officials that the industry could really afford nothing because of the state of profits and order-books.

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Air show boost for industry orders

By Michael Donne, Aerospace Correspondent

BRITISH aircraft companies are confident of clinching orders worth several hundred million pounds after the business days of the Farnborough International Air Show this week.

Mr Eric Beverley, commercial director of the Dynamics Group of British Aerospace, and president of the Society of British Aerospace Companies, said yesterday it was widely accepted that the air show was the best ever staged by the industry.

Trade attendance is estimated at more than 50,000 visitors from more than 100 countries.

Many officials from the 500 British and overseas companies taking part in the exhibition echoed Mr. Beverley's view.

While it is accepted that many orders announced during the show—over £200m worth, including £100m for the updating of UK air defence systems—were the result of months and even years of negotiations, it is also acknowledged that the thousands of separate business discussions held during the week are likely to result in many new contracts in the near future.

It is difficult to place a precise figure on the value of such business, but spokesmen believe that it could run into several hundred million pounds, and all those to whom I spoke were clearly delighted with the opportunities the show had created.

The recession has had little effect on the aerospace industry, and order books are full across the industry, from civil and military airframes to engines, electronics, and components and equipment.

If the UK aerospace industry has a problem, it is one of shortage of skilled labour—a point repeated many times during the week.

The show is given over to the public this weekend, with more than 200,000 people expected to watch the best flying display yet staged in this country. More than 80 types of aircraft will take part, ranging from the Royal Air Force Red Arrows aerobatic team and the big airliners, such as the Airbus and TriStar, to the smallest types, such as the new Edge 540 Optica observation aircraft.

Hafren-Severn TV posts for Lord Hooson

Financial Times Reporter
LORD HOOSON, the former Liberal MP, has been named as chairman of all three boards at Hafren-Severn Television, the sole contender for the Wales and West of England ITV franchise held by HTV.

Hafren-Severn announced its line-up of directors yesterday, and said the company would have three boards: a main board and local boards for the West and for Wales.

Among the directors named were Olympic gold medallist Lynn Davies, ex-Welsh rugby captain Clive Rowlands, and fashion designer Laura Ashley.

OBITUARY
Former Dean of St. Paul's dies in New Zealand

THE VERY Reverend Dr. Martin Sullivan, KCVO, former Dean of St. Paul's, London, died in Auckland, New Zealand, yesterday. Dr. Sullivan was Dean of St. Paul's from 1967 to 1977. He was 70.

Born in Auckland, he was Archdeacon of London and a canon of St. Paul's before being appointed Dean. Last year he was made Knight Commander of the Royal Victorian Order, but as a clergyman he was not referred to as "sir."

During his tenure at St. Paul's he was sometimes criticised by more staid churchgoers as being a controversialist. During the London run of the stage show "Hair," he held communion at the cathedral for the cast.

Liverpool port loses £2.54m

BY RHYNS DAVID

THE PORT of Liverpool lost £2.54m in the first half this year and the volume of traffic through the port fell 15 per cent on the same period of 1979. The company has also warned that conditions are deteriorating and this will be reflected in the full year.

The loss, announced yesterday by new chairman Sir John Page follows a £7.46m deficit last year and is expected to lend urgency to a major study of the port by the National Ports Council and the Mersey Docks and Harbour Company for the Department of Transport. This is expected to be with the company's board in a matter of weeks, and is likely to suggest a number of harsh options for restoring profitability.

The port's problems are being blamed mainly on the UK recession, but Liverpool has had extra difficulties. Dockers brought the port to a standstill this year in support of the national steel strike at a

cost, according to Sir John, of £1.5m in revenue.

Since the strike UK steel exports, a significant proportion of which pass through Liverpool, have been badly down.

Port officials also fear that under its new management the British Steel Corporation will reduce its involvement in Far East export markets, which are served by Liverpool.

The port has also been affected by the decline in UK exports to the U.S.

The port, which emerged in its present form less than 10 years ago after the previous Mersey Docks and Harbour Board had been made bankrupt, claims to have increased productivity by 30 per cent since 1978, mainly by reducing its labour force, but the high cost of rationalisation is one of its main burdens.

In the first six months of this year a £960,000 out of £2.54m losses, represents funds set aside for severance payments to

Sir John, who took over in Liverpool earlier this year from the chairmanship of the soon to be disbanded National Ports Council, said yesterday that the matter was still under discussion by the National Dock Labour Board. It was hoped a satisfactory solution could be found to the problem before the September 30 deadline. Dockers in Liverpool and Southampton have threatened to strike if men made redundant are not taken up by other employers.

Liverpool's operating revenue

in the first half amounted to £11.3m—a drop of £1m on the same period last year, but Mr. Fitzpatrick said yesterday the port had managed to hold on to its share of declining overall UK trade.

The port's main traffic problems are still concentrated in the older general cargo docks which have been affected by the switch to containers. The port employers have said they are unable to do so.

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THE WEEK IN THE MARKETS

Gilt set the pace

LONDON
ONLOOKER

A STRONG pound put new heart into the gilt-edged market this week. On Monday sterling rose to a 54-year high at over \$2.40, following its rise in late trading in New York on the previous Friday. Gilt set the scene all week, only hesitant on Thursday when earlier hopes of a cut in MLR proved to be unfounded.

Equities by and large produced little on their own account for early in the week to justify any enthusiasm but the atmosphere which had encompassed the gilt market finally overtook equity dealers on Wednesday and share prices picked up with the 30-share index lifting just over seven points to 488.2.

On Thursday, however, the equity market had some encouragement of its own. Second quarter income from BP was better than the City analysts had been expecting and Cadbury Schweppes also proved the pessimists wrong, with its half yearly report.

BP's half timer

Who understands British Petroleum? Not the market, it seems. Thursday's second quarter figures pushed the shares up 16p to a high of 356p before leading them back down to 348p for a net gain of 4p on the day.

BICC says 110p

BICC took a lot of stick for the manner of its first approach to Higgs and Hill earlier this year, and deservedly so. There was Higgs portering quietly along and enjoying its independence — when out of the blue

going to use such a report as a basis for haggling. It offers stands even if the net assets are found to be as much as £2m below the last book figure of £12.3m.

Why is all this thought necessary? The answer is that bidding for a medium sized building contractor is not like buying a manufacturing company. The numbers depend on an enormous extent on the skills of the tendering department, and one successful (or duff) contract can make a big difference to the values. BICC knows all about this, having been hit by large contract losses after buying Tersors a decade ago.

BICC's conditional offer of nearly £10m looks reasonably attractive in relation to Higgs' profits record and its share price before BICC first made its approach. Higgs' shareholders should be given the chance to make up their own mind.

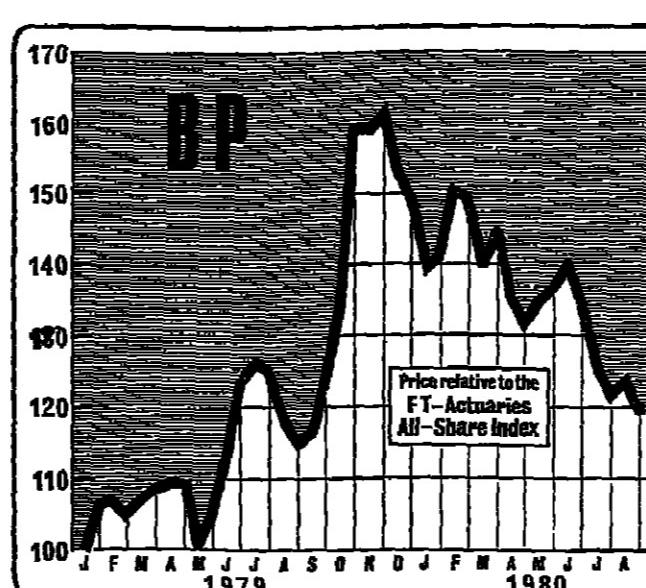
Sweeter Cadbury

The pessimists got a surprise from Cadbury Schweppes this week. Despite the decline in the confectionery trade, retailers' destocking and the severe pressures on margins in the U.S., the sweets and drinks group managed to hold half-time pre-tax profits at £21m, just £700,000 short of the comparable period.

UK confectionery volume slumped around 9 per cent during the six months, but aided by an increase in market share

the group's results beat expectations.

Int. profits above expectations Buoyant mining sector Agreed offer from Grand Met. Bid hope Stock shortage/buoyant golds Sharply increased j-vr. profits Fears of forecast profits shortfall Cred. bid of 110p from BICC Drilling report Speculative demand Persistent support Stock shortage Helicopter orders Good annual results



Coral in the market but so far no counter bidders have emerged and Grand Met does not expect any.

Coral's net worth, following a recently revaluation of assets, is probably close to the bid price and Grand Met may get some short-term return if a deal in the works to sell a two-thirds stake in Coral's Centre Hotels chain to the Taj group of India for about £27m goes through.

A reference to the Monopolies Commission is also possible, given the link-up of the two group's betting shop chains.

Grand Met claims that even together the 1,300 Mecca and Coral shops would not be the largest chain in the country and would account for less than 10 per cent of the market.

Nevertheless, the huge group, which has major interests in distilleries, breweries, hotels and dairy products as well as gaming and betting, is considering selling or floating off, with the next year some of the businesses that have reached a mature status.

Weir in red

THE news from Glasgow was none too cheerful this week as the Weir Group, Britain's premier manufacturer of pumps and related equipment, unveiled a discouraging pre-tax loss of £2.4m for the first half of 1980. Along with the figures came the even less happy news that Weir's bankers had teamed up with the Finance Corporation for Industry to scrutinise the company's "scope of operations" and to agree on "a basis for continued support."

Remedial action above and beyond the group's reduction of some 900 in the Weir Pumps workforce came swiftly. Yesterday the group confirmed that Mr. Randolph Spence, managing director of the pumps business, had resigned and was being replaced by his deputy.

There is no doubt that Weir means to tidy up its operations, but it may take some time.

With a capital gearing level now hovering around 140 per cent, Weir is sacrificing large sums in interest payments. They doubled in the half-year to £3.7m. In addition, its net asset base is shrinking visibly as a result of attributable losses; interim attributable deficits of £4.2m have brought net assets down to the £22m level and by year end this could slip down.

The major problem facing the group is the worse than expected performance of its pumps division. This part of Weir may have lost around £2m in the first six months of the year.

Redundancy costs were also severe at around £1.5m.

The Reagan rumour

NEW YORK

IAN HARGREAVES

WALL STREET was having a party on Thursday when it was hit by one of those rumours which can only happen in the fevered atmosphere of fortunes and careers being made or

year, compared with only 38 cents last year and he expects the figure to reach \$2 per share in 1982.

His optimism is based upon the fact that Sony is now back out in front in the video recording business and that it now has this sector firmly established as its leading sector, contributing 27 per cent of revenues.

The effect of this American optimism has therefore been to suck ownership of the company out of Japan.

At the beginning of the 1970s, when the U.S. was starting to become painfully aware of how good the Japanese electronics companies were, Sony was also riding high and selling in the U.S. at an astonishing price earnings multiple of 40.

At that time 30,000 shareholders in the U.S. owned 43 per cent of the company's shares. At the beginning of this year, the number of shareholders was the same (in other words the institutions had kept their fingers in the Sony pie) but they amounted to only a 5 per cent stake in the company.

But since then the trend has been up, reaching 7.5 per cent in April and, according to Mr. Machida, an estimated 17 per cent now, when it is selling at a price earnings ratio of 10.

The ceiling on foreign ownership of the stock is 47 per cent, but with European ownership estimated at 10 per cent there is still some way for the present U.S. trend to move, if the buyers are there.

For American investors too, there is the comfort that the future of Sony has nothing to do at all with Mr. Reagan's age or his real or imagined ailments.

MONDAY 940.78 + 8.19
TUESDAY 953.16 + 12.38
WEDNESDAY 948.81 - 4.35
THURSDAY

MARKET HIGHLIGHTS OF THE WEEK

	Price Y/day	Change on Week	1980 High	1980 Low	
FT Ind. Ord. Index	494.6	+10.5	502.1	486.9	Rally helped by Gilt
FT Govt. Secs. Index	69.44	+ 1.72	72.54	63.85	Revived demand
FT Gold Mines Index	428.0	+38.3	428.0	245.5	Rise in bullion price
Treasury 11½% '81 A (250 pd)	544.5	+ 11	550.4	544.5	Medium tax reactivation
Aeronautical and General	530	+10.5	538	212	Proposed 100% scrip-issue
BP	358	+16	412	320	Int. results beat expectations
Cadbury Schweppes	66	+ 6	66	54	Int. profits above expectations
Charter Cons.	240	+16	242	134	Buoyant mining sector
Coral Leisure	91	+21	92	54	Agreed offer from Grand Met.
Cornell Dresses	52	+33	52	104	Bid hope
De Beers Depl.	450	+53	553	368	Stock shortage/buoyant golds
Gencor	930	+130	968	650	Sharply increased j-vr. profits
Haynes Publishing	123	-29	170	119	Fears of forecast profits shortfall
Higgs and Hill	93	+16	96	45	Cred. bid of 110p from BICC
Northgate Exploration	435	+65	585	325	Drilling report
Sabina Inds.	43	+14	58	26	Speculative demand
Sainsbury (J.)	500	+32	500	280	Persistent support
Samperton	215	+45	215	78	Stock shortage
Westland	128	+18	128	444	Helicopter orders
Whitbread Electric	51	+30	52	21	Good annual results

table to the impenetrable accounting methods. In this case, analysts were working from a first quarter base artificially depressed by unrealised exchange provisions. For a company like BP which can buy crude in dollars, invoice it to customers in marks and then convert back into sterling the swing-and-round-about effect can be dramatic.

Behind the accounting adjustments, however, lies one clear piece of good news and one piece of bad. In retrospect, the severing of BP's Nigerian and Iranian supplies has rebounded to the group's favour. It has been forced on to the spot

like independent auditors to take a look at Higgs' books. If it liked what it saw, it said it would make a bid.

This was like someone trying to cash in the downy before buying the engagement ring. Higgs' replacement was predictably crisp.

This week, however, BICC has put itself in a much sounder position as a would-be wooer.

It still wants an independent look at the books. But it has now put itself on the line by promising to pay 110p per share subject to a favourable auditor's report—which it wants drawn up in conjunction with Higgs' existing auditors. And it is not

and the big productivity gains achieved in the previous 12 months. Cadbury actually pushed up its overall UK trading profits by a tenth to £17.2m. Outside of confectionery, demand has not been too bad. The company says that most of the advance at home came from the drinks, tea and food divisions. Trading profits were up from each, and even confectionery produced a small increase.

Meantime across the Atlantic, life has been even more difficult. From a modest rise of £2.1m in sales to £53.5m trading profits collapsed from £2.3m to under £1m. Admittedly 1979 included £600,000 of royalties that have since expired. Both the drinks and confectionery operations are under pressure. Coca-Cola and Pepsi have increased their marketing budgets and Peter Paul (confectionery) must wait impatiently for the market leaders, such as Mars, to increase their prices.

Since the first half the poor summer weather has taken some of the steam out of Schweppes in the UK but there are some tentative signs that the confectionery market might be picking up at long last. However prospects will be influenced by the pricing policy of Rowntree as it tries to fight back.

Clearly the full year outcome will depend heavily on the final quarter with its Christmas drinks and chocolate sales but the stock market is encouraged. It marked the shares 41p higher to 86p when the interim was announced and talk is of a small increase on last year's 55.75m this time round.

Grand Met leaps
Grand Metropolitan scarcely had time to swallow, let alone digest, the large U.S. tobacco and drinks group, Liggett, before a fresh acquisition opportunity arose two weeks ago.

When Coral Leisure reported an interim profit collapse on August 22 Grand-Met directors, who had occasionally looked covetously on Coral's chain of betting shops and the Pontin's holiday camp business in the past, decided to study the troubled group more carefully.

Coral's bad results and the slide of its share price to 54p also fuelled public speculation that a bid might be imminent as the only solution to the rising costs of its large debt load and the challenges of the police and the Gaming Board to its London casino licences. Grand Met moved quickly and put together an attempted short-out to exchange 13 of its shares for every 20 Coral shares. That valued Coral at £35m based on the 155p pre-bid price of Grand Met shares on Monday, representing a 67 per cent premium over the 60p price of Coral shares on Monday morning. Not surprisingly, Coral directors embraced the approach enthusiastically. Later in the week, Grand Met took the further precaution of buying a 6 per cent stake in

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If you want to withdraw all or part of your investment, you should give us either 3 or 6 months' notice. You have to decide now which it is to be. If you need to make a withdrawal and aren't able to give the agreed period of notice, we will deduct a charge from the amount you withdraw (see

FINANCE AND THE FAMILY

A claim to a tenancy

BY OUR LEGAL STAFF

My grandfather owns a piece of land on which he allows a farmer to graze his cows in return for a daily pint of milk, and a coal merchant to park his lorry for a cwt of coal a week. He has not made a will. On his death, does the family consult a solicitor and have the land conveyed to their names? Is it a costly process? We think that you should consult a solicitor, although it is not legally required that you do so. The devolution of the land should not cause any undue problem or be too costly, but the possibility that the farmer and coal merchant, or one of them, may claim a tenancy requires careful handling of the matter.

Joint tenancy

survivor

My husband and I are joint tenants of a house. My husband has not made a will and I understand that if he were to die, I should be entitled to the first £25,000 of his estate, plus a life interest in half the remaining estate. How does the value of the house come into this?

We think that there is a risk that there may be a charge to capital transfer tax on the cost

of the house unless there is a lease, not a licence, which can be represented as good consideration for the building. You would be wise to consult a solicitor.

House on daughters land

My wife and I propose to build at my expense a residence on land owned by our daughter whom we wish to leave owing to our advancing ages. If our daughter gives us a licence on a peppercorn rent to occupy the land during the lifetimes of both of us presumably the land and any building on it will revert to my daughter simply by the expiration of the lease. Will this procedure attract any taxation along the line and if so, what?

We think that there is a risk that there may be a charge to capital transfer tax on the cost

treated taxwise? How would they be treated in the same hypothetical case as above for Sovereigns. Any difference or not?

Sovereigns dated 1838 or later are exempt from CGT (under section 19 (1) (b) of the Capital Gains Tax Act 1979).

Sovereigns dated 1837 or earlier are within the scope of CGT as tangible movable property (not exempted by section 127 of the CGT Act).

Krugerands are within the scope of CGT (under section 19 (1) (b) of the CGT Act).

Transactions in sovereigns (of any date) and Krugerands are within the scope of case I of schedule D.

Hypothetical examples are of little practical value in forecasting whether any particular body of General Commissioners (or the Special Commissioners) would find, as a question of fact, that a particular transaction constituted an adventure in the nature of trade. Every case depends upon its own facts, and upon the view taken by the appeal Commissioners (whose finding of fact is unlikely to be disturbed by the Courts, upon appeal against their decision by either party).

If your daughter does not exercise her right to obtain possession on September 14, 1980, pursuant to case II of the 15th schedule to the Rent Act 1977. She now has accommodation in college. Is she able to continue to let her flat with the certainty of recovering possession when she needs it?

If your daughter does not exercise her right to obtain possession on September 14, 1980, we think that she will not lose the right, but in any case she may still be able to rely on the discretionary power given to the Court under para-

graphs 5 of Case XI.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

If the amount at stake is substantial, you may well decide that it is worth seeking local professional guidance.

Possession of a flat

My daughter is a student at London University. She owns a flat near the college which she let while she was studying abroad. The tenancy agreement specified that she will wish to recover possession for her own occupation on September 14, 1980, pursuant to case II of the 15th schedule to the Rent Act 1977. She now has accommodation in college. Is she able to continue to let her flat with the certainty of recovering possession when she needs it?

If your daughter does not exercise her right to obtain possession on September 14, 1980, we think that she will not lose the right, but in any case she may still be able to rely on the discretionary power given to the Court under para-

graphs 5 of Case XI.

It is likely that the sub-contractors will charge more than the original estimate since they are having also to rectify sub-standard workmanship by the original sub-contractors. I understand that I may withhold labour costs but not materials costs from the original sub-contractor in order to defray any additional charges by their replacements. However, if these additional costs come to more than the labour costs of the original sub-contractor, would I be able to defray these against labour charges made by the main contractor? Also, if the original sub-contractor attempts to recover part of his labour charges by sending in an inflated bill for materials, would I be able to demand an examination of his receipts for these materials?

It is impossible to provide a comprehensive answer to the

Sub-contractors bad work

Recently we bought an old house in Scotland requiring extensive renovation. A contractor was appointed and some of the work was sub-contracted to a firm of plumbers/electricians which eventually, my architect instructed the main contractors to sack the sub-contractors and a new firm was engaged to complete their work.

If it was, and your architect had certified that at least some of the work had been completed by way of an interim certificate, then you would be obliged to pay for the work so certified—that would apply whether the work had been done by the main or the sub-contractor.

If the work was not being carried out on such a formal basis then the first plumber/electrical sub-contractor may have no claim against you at all since the work done appears to have been defective and you have incurred further costs in rectifying these defects.

If the costs of rectifying the defects exceeds the benefits you received from the first sub-contractors' work then you may have a claim in damages against him which may compensate or exceed his contractual claim which he has for the work completed which lies against you.

These are all matters upon which your architect should be able to advise you and obviously all bills received should be scrutinised by him in order to ascertain the precise sum you are bound to pay.

Water rate and a garage

Water rate and a garage I own a house and adjoining garage and the local valuation office has advised that the total rateable value of £451 is made up of house (£422) and garage (£29) although, it appears that the garage is not officially separately assessed.

The garage is not served either by a water supply or main drainage. Would it be legally proper for me to withhold payment of the water/sewerage and environmental rate levied in so far as it relates to the rateable value of the garage?

We think that you cannot properly withhold the water and sewage rate on the garage unless the garage is separately rated. Your proper course is to apply for separate rating of the house and garage. Once the garage appears in the valuation list as a separate hereditament you can properly refuse the water/sewage rate.

The crisis when mother falls ill

INSURANCE

ERIC SHORT

IF FATHER falls ill and is unable to work, then there are financial problems for the family. True he can get social security benefits at a comparatively low level, but if he is earning above National Average Earnings, this only partially replaces his income.

But more attention is now being paid to ensuring that the employer makes up the earnings to at least 75 per cent of net take-home pay, even if the illness or disability is prolonged for years.

But what happens if mother falls ill? Little thought is given to this problem — perhaps because our childhood recollections are that she never fell ill, while father went to bed on the first signs of a cold.

If a housewife falls ill or has an accident so that she cannot do her normal household tasks, then either near relatives, friends or neighbours are

called in to help out until she has recovered. Or else outside help has to be hired and this does not come cheap these days. It could mean a drain on earnings even though the husband is still working.

Six years ago, Mrs. Barbara Castle, then Social Services Secretary, introduced the Non-Contributory Invalidity Pension for housewives to meet this need. But the weekly payment is only £14 — rising to £16.30 in November and becomes payable only if the illness lasts for at least six months.

There is a strong case for taking out permanent health insurance on housewives to meet such costs, or just to be in a position to avoid having to rely on the willingness and generosity of others to help out. One may be willing to help out for a few weeks, but not for several months.

Yet only five life companies are willing to offer such permanent health contracts for housewives and the maximum benefit level is low. Indeed as the accompanying table shows that with two companies it is ridiculously low.

Lack of demand for such con-

COST OF PERMANENT HEALTH INSURANCE FOR A HOUSEWIFE AGED 29 WITH COVER CEASING AT AGE 55

Company	Monthly premium for the maximum benefit Period from onset			
	Max. weekly of illness to payment of benefit	4 weeks	13 weeks	26 weeks
Commercial Union	£50	—	£5.02	£3.97
Norwich Union	40	5.37	2.83	2.10
Permanent Insurance	50	6.23	3.07	2.43
Phoenix	20	—	2.18	1.95
Yorkshire-General	15	2.11	2.00(a)	2.00(a)

(a) Minimum monthly premium.

tracts is one overriding reason why such schemes are not widely written.

The permanent health benefit is paid if the person concerned cannot follow his or her normal occupation. With employed persons a doctor's certificate is adequate. The person has only to be off work to get the benefit. But many housewives with a similar illness carry on quite normally.

When asked about claims procedures for housewives, two companies could not say what happens in practice, simply because to date they have not had any claims. But the starting point is a doctor's note certifying that the housewife is unable to fulfill her household duties. In practice this would normally mean that she was confined to bed or a chair, though some companies are prepared to pay a benefit for depression.

The rates charged are higher than for men, even though sickness experience for housewives is very limited. This "discrimination" infuriates the Equal Opportunities Commission. But Mr. Derek Bond, the actuary of Medical Sicknes and Permanent Insurance, the largest operator in this field is quite confident that his companies' experience shows that women are more prone to sickness than men.

DEATH and taxes, according to Benjamin Franklin, were the only certainties in his world.

Since the world changes little, a taxpayer leaving it today for the next is still certain to bequeath a number of tax headaches to his executors. Capital transfer tax on the assets passing on his death is likely to be the major impost depleting and dissipating the assets of the deceased.

Capital gains tax is not generally a burden, the general rule being that any gain arising when a man's assets cease to be his and become his executors' property, is not to be a chargeable gain.

The executors acquire those assets for capital gains tax purposes at their value at date of death.

That much capital gains tax is well known: the wrinkles probably less so. It is the executors who acquire the deceased's assets on his death and they then hand them over to the "beneficiaries" during, or at the end, of the administration period.

"Beneficiaries" in this sense may be those entitled under the will, those taking in an intestacy, or trustees acquiring assets which they are to hold for some continuing purpose—but all of them take over the executors' same acquisition value.

The grand design must, however, be applied: and it is the detailed rules for its application which stand in danger of being little comprehended and even less loved.

The rules take as their starting point the basic principle of

TAXATION

DAVID WAINMAN

gains upon which executors will be liable are those arising on their own sales of assets.

In calculating their liabilities for the year of death and each of the next two years, the executors are entitled to exemption of the first £3,000 of gains in exactly the same way as is an individual.

Dying can be said to double the £3,000 exemption, in the sense that the deceased has his exemption for the part year in which he dies, as well as his executors having a second exemption for the balance of that year. If the deceased has losses rather than gains in the party year to the date of his death, these can be carried back against gains in the three years before that.

But it will almost certainly not be either of the capital taxes which cost the executors the most effort. Income tax is the more complex and time-consuming burden—so much so that one must wonder whether the law's requirements could not be simplified and abbreviated without undue loss to the Exchequer.

The grand design is that executors should be taxed at the basic rate, and that the beneficiaries should therefore receive their income under deduction of tax. Those beneficiaries whose personal deductions entitle them to a repayment of the basic rate tax will then claim it back and those liable at higher rates will be assessed on the gross equivalent of the net sums they have received.

That grand design must, however, be applied: and it is the detailed rules for its application which stand in danger of being little comprehended and even less loved.

The rules take as their starting point the basic principle of

executorship law that unless the will provides otherwise, a beneficiary who is absolutely entitled to a specific asset is entitled also to the income which that asset produces from the date of death.

This should create no particular difficulties, but tax law requires that so far as concerns income on the assets falling into the residue of the estate, a similar attribution be achieved in the two stage process.

It is assumed, for the first of those stages, that the executors start by merely making payments on account to the beneficiary concerned. He reports as his income the gross equivalent of these sums as he receives them.

The executors review these proportional distributions at the time they finish the gathering and distribution of the estate. (The time at which this process is completed is known as the end of the administration period.)

The rules require them to calculate exactly how much income arose in each year for each beneficiary having an absolute interest, and to advise him what must accordingly be regarded as his revised income, gross and net, for each year of assessment.

The rules are subtly different, and the complications greater, for beneficiaries whose interest is only a "limited" one, rather than one which is absolute. The widow who has a life interest in the income from her late husband's estate is an example of a person with a limited interest.

In the first instance her income is again quantified as the gross equivalent of the net sums paid on account of her entitlement. But when the re-

vised calculation is made at the end of the administration period, the aggregate net amounts finally paid are regarded as having accrued evenly throughout the administration period. Her income for each year of assessment is therefore arrived at by splitting the total on a time apportionment basis.

Requests of specific assets as carry with them the income from those assets. The residue beneficiaries, whether their interest in residue is absolute or limited, are then entitled to the balance of the income.

But they are entitled to deduct from the net amount of the executors' expenses of administration, any annuities which are payable out of the residue, and interest on money borrowed to pay capital transfer tax on personality before the grant of probate (this latter being the factor which enables the executors to sell what assets they must to pay the tax).

No one gets any repayment of tax on these expenses, but the beneficiaries' recalculated income is smaller than it would otherwise have been. The executors' task of recalculation is complex enough, but is made more so where some beneficiaries may have taken not only income but also some portion of their assets out of residue during the administration period.

Tax on the incoming arising after death is only a part of the executors' worries. They also have to sort out the deceased's own liabilities to the date of death—a process which in his absence is not frequently required to be achieved by guess and by God.

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JEROME SMITH, 1971

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YOUR SAVINGS AND INVESTMENTS 1

John Makinson looks at unlisted shares

Selling by the rules

AUNT AGATHA has left you. Michael Nightingale's market in few 5 per cent debentures in the Buenos Aires Locomotive Tramways Company. Uncle Henry, still living in Buenos Aires, invites you out for a holiday and selling the debentures would help meet the cost. There is, however, no official market in BALT debentures, so the problem is how to sell them. The solution is Rule 163 (3).

About 300 securities are traded under this Stock Exchange rule, which provides a rough and ready market for unlisted stocks and shares. In most cases, trading is minimal. BALT debentures have not been dealt since March, for example. The list is peppered with breweries and football clubs, together with such esoterics as the Instant Starter Engineering Company and the Women's Pioneer Housing Society.

Recently, however, there has been a considerable growth of interest in 163 (2) securities and the Stock Exchange is in the final stages of drawing up a regulated Unlisted Securities Market (USM), which it intends will largely supplant the 163 market. Under the new regulations, it should be easier (and probably safer) for small investors to deal in unlisted securities.

The 163 revival dates from the middle of 1978, when the Stock Exchange published a booklet explaining to customers and investors how the market could be used. Its appearance was prompted by concern that new official listings had almost dried up since 1973, yet the advances being made by Mr.

completed in the same way as a trade in BP or ICI. A broker will settle a contract through a jobber and will charge the same commission as for a listed security.

Furthermore, as Rule 163 companies fall under the auspices of the Stock Exchange, investors are entitled to protection under the Stock Exchange's Compensation Fund and brokers are obliged to obtain the best possible terms for their clients. Every individual transaction must be rubber-stamped by the Stock Exchange.

In order to stimulate interest, the Stock Exchange arranged for 163 prices to be published on the back page of the Daily Official List. At the same time, it was also conscious of the need to help such companies at a time when the Wilson Committee was preparing its report on city institutions.

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Dealing in 163 companies are

tightly entwined since interest in

unlisted securities has grown

exponentially over the past two

years. Around 20 new companies have been listed under Rule 163 (2) and almost all of them have been traded actively.

In the last week of August

there were 658 bargains concluded in unlisted securities,

amounting to £3m unusually

low because of the holiday season.

Over the past few months,

weekly turnover has topped £1m,

though this was mostly because of obvious activity in companies listed under Rule 163 (3).

This is a separate category for mineral exploration companies and has attracted about a dozen extants, most of them with North Sea exploration interests.

Many of the new companies, like Bio-Kil and Air Cali, have



a decidedly 20th-century ring and the market also includes such well known and actively traded companies as Weetabix.

In addition, several companies have moved down from an official listing to 163 status in order to cut their reporting costs and take advantage of the new interest in unlisted securities.

Under the Stock Exchange proposals, a three-tier market would be created with the more heavily traded 163 companies expected to take place in the Unlisted Securities Market (USM). Companies entering this market would have to provide a financial record, though not necessarily an audited report, and would need to have at least 10 per cent of their shares on offer in the market.

The proposals envisage that brokers would be able to act as principals as well as agents in some cases in order to encourage the provision of local capital in areas where there may be no jobbers. Companies currently listed under 163 (3) would also be expected to move up to the USM. At the same time, dealings in companies which remain under 163 would be progressively limited.

The new proposals may

tighten up the disclosure requirements for unlisted companies but they are unlikely to make it any easier for small investors to obtain shares at the placing stage — where the money is most often to be made.

Baker, for example, shot up from an issue price of 60p to 103p as soon as dealings began.

It is exceedingly difficult for an investor to break the charmed circle of a placement. The Stock Exchange would like to see 25 per cent of the shares offered going to the jobbers but, as it also discourages widespread publicity for new issues, the chances are that an investor may not hear about it until too late.

Tring Hall Securities, the most active company in bringing 163 companies to market, provides one way round the problem by offering new shares on a pro rata basis to all its own 432 shareholders.

Until the small shareholder's access to new offerings is enhanced by its record over the past decade is any guide. Under Mr. Bill Proudfoot, it has been transformed from a backmarket in Scottish life assurance to the third largest and the fastest growing life company in Scotland.

More important, it has got its investment performance right, rising from middle of the table into the top five for with-profits performance over all terms. Its linked pension fund

After the bombardment... a shot from the Alliance

HOME LOANS

TIM DICKSON

remains fixed over the whole term), but a mortgage where the interest rate would be pegged for, say, one year.

Mr. Cox's idea is that some of the money raised at fixed rates (e.g. the new bonds) could be matched with a borrower. Many people, he feels, might welcome the removal of some of the uncertainty caused by the current variable (and frequently changing) rate.

Among possible hurdles would be the need for a new mortgage deed. As Mr. Cox readily admits some borrowers may not be as happy to accept a rate determined by the Alliance as they do accept one recommended by the Building Societies Association.

The new bonds, meanwhile, represent the first ever building society placing in the wholesale money market. Anglia, Hastings and Thanet Building Society went to the institutions for money late last year but funds

in this case came in the form of a straightforward loan from banks.

Building societies generally are divided on the need to step out of their traditional high street hunting grounds. The BSA working party report earlier this year broadly concluded that societies would be able to meet the demand for housing finance in the next 10 years from their traditional sources.

Mr. Cox, however, argues that the societies could be reaching saturation point in terms of the growth of private investors. Numbers of individual account holders have risen from 10m in 1969 to 29m at the end of last year, although this does not take account of the many people who have accounts with more than one society.

"If such a rate of growth continues," he said, "the number of investors would almost outnumber the total adult population by the end of the current decade." Given Mr. Cox's belief that the demand for home loans will continue to increase, the supply of funds may have to be found elsewhere.

An amicable drop of Scotch

UNIT-LINKING

ERIC SHORT

SCAMPI is among the top performers.

Mr. John Davies, who comes from Sun Alliances linked operations, will be responsible for contract planning among other tasks. But this year's Budget set back Scottish Amicable's timetable. It is still discussing whether to offer equity and gilt investment through unit trusts or internal funds. Anyway, it expects to launch a single premium bond early next year followed by other products during the year.

Standard Life, which took the unit linked plunge last October, has already accumulated funds of over £15m. Such success is clearly encouraging Scottish Amicable to jump in as soon as possible.

Abbey's facts of Life...

INSURANCE

ERIC SHORT

THE DISPUTE between insurance brokers and the Life Offices Association, and between companies within the association over commission paid to intermediaries suddenly erupted a few months ago.

The first bang came during the brokers' conference at Brighton in April. Like the U.S. volcano, Mount St. Helens, each successive eruption has had a bigger impact than the previous one.

But the bang this week from Abbey Life has scattered ash further than ever and could well shake the structure of the LOA itself. For Mr. Michael Hepher, the newly appointed chief executive of Abbey calmly told the Press on Thursday that the company was considering leaving the LOA unless the commissions problems were satisfactorily resolved.

The crux of the problem is that brokers not only want more commission for their business, but feel that their efforts and expense in getting life business entitle them to extra cash.

Many life companies, particularly the newer ones, are in sympathy with the brokers' case. Crown Life, for example, left the LOA earlier this year so that it could pay higher commission for volume business.

Mr. Hepher disclosed some ambitious plans for Abbey in the present decade and there is no doubt that he will need the

full support of brokers to achieve the growth targets. On the other hand, he accepts that in these days of increasing Government involvement, the life assurance industry needs a strong, fully representative trade association. If Abbey Life left the LOA, he feels sure, certain other life companies would soon follow, and the credibility of the LOA could be undermined.

Even the hint that Abbey Life is contemplating leaving the LOA is of serious concern for investors. The few companies at present outside the LOA can finance higher commission payments from increased productivity.

If Abbey left, with others following, then the dangers of a commission war become much more serious — higher commissions in such an event would not necessarily be matched by higher productivity. The consumer would pay in one form or another. It is in his interest that a satisfactory solution is found inside the LOA.

The LOA meanwhile, has

been very active in looking after consumer interests regarding life assurance. It has acquired considerable respect from the

authorities and has several successes chalked up including a successful defence of life assurance premium tax relief.

The absence of a strong trade association would leave investors open to Government intervention — a point which Mr. Hepher appreciates as much as anyone.

The new proposals may

make it easier for brokers to

achieve their growth targets.

On the other hand, the

Government's role in the life

industry, said the Cabinet Coun-

scottish Amicable should be

successful if its record over the

past decade is any guide. Under

Mr. Bill Proudfoot, it has been

transformed from a backmarket

in Scottish life assurance to the

third largest and the fastest

growing life company in Scot-

land. More important, it has

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right, rising from middle of the

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Mr. Michael Hepher

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EQUITIES V ALTERNATIVES!

In the '70s, for the Stock Market to have just kept pace with inflation and to have earned individual investors a real rate of return, the F.T. Index would currently have to stand around the 1500 mark at least—instead, over the same period, pre-tax returns from equities amounted to a staggering minus 21%!

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YOUR SAVINGS AND INVESTMENTS 2

John Moore looks at the latest news from Lloyd's

More to share the spoils

PRIVATE INVESTORS sufficiently well heeled to be members of the world's oldest insurance market may have mixed feelings about the profits announced this week.

Only 10,730 of the 18,552 current members of Lloyd's of London participated in the 1977 underwriting year, which is the second highest that Lloyd's has reported. The underlying trend in underwriting profit, that is the difference between premiums and claims—is rather different. Underwriting profits for 1977 of nearly £100m, compares with a profit of £96.5m in the 1976 underwriting account, a mere 4 per cent growth.

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So investment income is becoming increasingly more important to the Lloyd's market. About £113m was generated by net interest on underwriting funds and other credits in the 1977 account.

The rest of the membership which has not seen a closed underwriting year, 7,822 or 42 per cent of the market, will be keeping a wary eye on profit trends.

In the next reported underwriting account, for 1978, results of which will be declared next year so there will be 14,091 participants—3,361 more than in 1977, or a 31 per cent increase.

What is clear from the statistics is that the membership has grown at a faster rate than Lloyd's profits, and that premium is hardly growing at a fast enough rate to nourish all the membership.

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Mr. Peter Green
Chairman of Lloyd's

is the least profitable at the underwriting level. But in spite of exhortations by senior Lloyd's officials that investment income is an uncertain crutch to profits, the competitive conditions outside Lloyd's walls are likely to encourage the use of investment profits to prop up underwriting for some time to come.

Computer losses seem to have made some impact on the Lloyd's market. True, underwriters have been advised to reserves \$340m for future losses but some underwriting agents may have based their reserve assumptions on a higher figure.

To date Lloyd's has paid out \$71m on computer leasing claims, expected to be the largest losses in the market's history, although delays through legal actions involving computer leasing policyholders, and Lloyd's, and other "negotiated settlements," means that underwriters will be gaining the benefit from investment income on reserves.

is concerned, the higher the sum insured, the greater the risk of theft. The TSB has deliberately cut out the high risk theft losses from its scheme—one reason for its competitive rates.

All insurance companies faced with a proposal for large sums insured on contents would insist on an inspection of the house and prescribe certain precautions before accepting the risk. They will not accept the £20,000 plus risk purely from a proposal form.

Whether the TSB can expand its scheme to incorporate the high contents sums insured without losing its attractiveness remains to be seen. But any such change will be some time in the future.

E.S.

Secret of success

THE TSB's household insurance scheme both for buildings and contents has had a good response since its launch well over a year ago. In particular its simplicity, as well as the cheapness of its premium rates has appealed to prospective policyholders. Householders simply insure the house or its contents for a minimum figure based on the type and location of the dwelling. And in the event of a claim, the full replacement value on a "new-for-old" basis is paid out up to the sum insured.

As a result there are no complications when it comes to assessing the cost of rebuilding the house or calculating the replacement value of the contents.

The reasons for this limitation are two fold. First, since the scheme is small and largely experimental, the TSB has limited the size of risk so that its portfolio is not exposed to one major loss. No doubt as the scheme grows the TSB may be able to relax its limits.

Secondly as far as contents

of all possible places, Homestake's new deposit is in California which one would have thought had been pretty well scoured by the pioneers of the 1849 gold rush. Since those heady days of the latter half of the last century, the state has steadily declined in importance as a gold producer, and annual output currently amounts to less than 7,000 ounces.

This picture will change radically when Homestake gets its new property into production, probably by 1984. Annual output is estimated at a minimum of 100,000 ounces of fine gold over at least the following 10 years. The deposit, about 70 miles north-west of Sacramento, grades about 5 grammes of gold per tonne.

The mine is smaller than the original Homestake property, which last year produced 246,000 ounces, but it is clearly going to make a difference to California's status as a gold producer—and, of course, to Homestake as well.

Texansgulf, another of the leading mining and metals concerns in the U.S., has had to take a second look at a gold joint venture from which it withdrew in January 1978. This picture was mine between 1932 and 1972, and over the latter part of its life graded around 15 grammes per tonne.

Obviously, these discoveries are not going to make up for the projected 30 per cent fall in the supply of gold to the Western world this year. Many of them will not actually be producing for several years. But they do serve to illustrate the strength of market forces in the field of gold development.

Another U.S. major, Newmont Mining, this week announced that it had found a gold deposit near its Maggie Creek project in Nevada. The new find is low grade, but likely to be much larger than Maggie Creek and suitable for low-cost recovery. Newmont is to go ahead with development work at both sites.

Newmont is also involved in the search for gold in Australia, through a joint venture between its Australian subsidiary Newmont Holdings and the local Valmont Consolidated.

Valmont announced in June that it had found "economically significant" gold mineralisation at Calzoni Pit on its Holleton prospect in Western Australia, about 200 miles east of Perth. The average grades are low, between 2 and 3 grammes of gold per tonne, but the prospect could make economic sense as an open-pit operation, which is what Newmont is now considering.

The major Canadian natural resources company Noranda Mines figures in two recent gold developments. This first, in which Noranda is in partnership

Rolls-Royce of bank cards

THOSE Americans never stop, do they? Not content to shower Britain with Kentucky Fried Chicken, J.R. of Dallas and a light brigade of new retail banking ventures, the latest bolt from the West was revealed on Thursday.

American Express, the international credit group with a reputation in charge cards, travellers cheques and assorted pecuniary services, this week unveiled its latest import into the UK, a deluxe "Gold Card" facility to be available next year "to meet the needs of higher income earners."

Standing side-by-side with American Express was the very British Lloyds Bank, which is to run the scheme through its UK branches.

The new American Express card, which is targeted at an audience of between 200,000 and 250,000 Britons who earn a minimum of £20,000, is being seen by some as a "snob card" —nothing more than a status symbol—and by others as the ultimate in plastic payments.

The gold card will offer all the services of the existing American Express green card (average salary of these card-holders is £15,000) as well as a variety of special services.

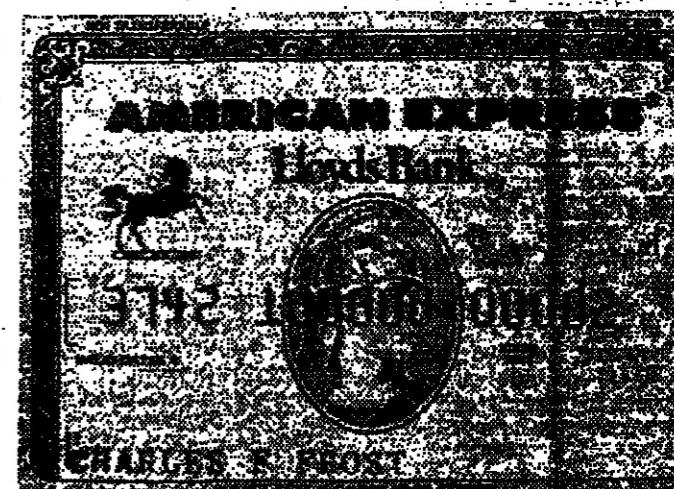
For example, if Lloyds Bank and American Express decide you are worth of the gold card, an account will be opened at Lloyds and the gold card-holder will receive an automatic overdraft of £5,000. Interest

is to be charged at 2½ per cent above the Bank's base rate.

In addition, the gold card will entitle holders to draw up to £1,000 in emergency funds at any American Express outlet around the world; normal card carriers can only obtain £500. Gold card-holders will also be able to cash cheques of up to £100 a day at Lloyds branches or Cashpoint facilities instead of the £50 limit for green card customers.

There is to be no pre-set spending limit and the American Express card will be usable at car hire firms, airlines, restaurants, hotels and stores in 165 countries.

Mr. Bob Amos, assistant chief general manager of Lloyds Bank, said yesterday that his bank had promoted American Express



cards since 1967 and that the two organisations would plan to introduce the new gold card by next Spring.

"We believe that the card will sell itself as people see it in use," he said. "We noted that a lot of my own executives have come back from the States and have asked me where they could get one of the gold cards."

The cards would be issued only through Lloyds, he said, and the mode of introduction would probably be through "recommendation". Although the anticipated market in the UK was said to be as much as 250,000, Mr. Amos said he would be happy to see 50,000 cards in use within the next two to three years.

At American Express, Mr. Stuart Quartley, vice-president in charge of cards, confirmed that "this card is going to be very much at the top end of the market." He described prospective card-holders as "people in the most senior positions of business and people who are affluent in their own right."

Mr. Quartley also explained that the joint venture with Lloyds Bank would be the first of a number of announcements of similar schemes planned by American Express and various banks to launch the gold card in Europe.

Mr. Amos also said that he would be one of the first of the new gold card-holders in the UK. "I am very excited about the new programme—but I am not sure if I dare tell my wife about it," he added.

Alan Friedman

A homemaking flop

BANKS

MICHAEL LAFFERTY

vouchers worth more than £300 in total if they opened an account with the bank. The vouchers varied in value from £10 off a dish-washer to £100 off a fitted kitchen costing £1,000 or more.

BOOKS



Four cards from the Tarocco Piemontese—the Fool, the King of Swords, the Cavalier of Cups and the Jack of Coins, reproduced in "Twelve Tarot Games" by Michael Dummett (Duckworth, £5.95). Mr. Dummett gives precise instructions as to how the games may be played. They bear out his general point, made in "The Game of Tarot" (Duckworth, £4.95), which appears simultaneously, that the Tarot pack was invented, not for occultist or divinatory purposes, but to play a particular type of card game. The longer book traces the history of the Tarot pack throughout Europe and its influence on the development of other card games and on the practice of trumps. It is a work of immense, rigorously applied scholarship and research comparable in importance to Murray's "History of Chess."

A Czech Machiavelli

BY A. H. HERMANN

Night Frost in Prague:
The End of Humane
Socialism

by Zdenek Mylnář translated by
Paul Wilson, Hurst, £9.50, 300
pages

Popular discontent and the spark of an idea produced in the Prague spring of 1968 no more than a spark in the pan. A revolt would have required leadership by a united, courageous and well-organised group, but the people who toyed with the idea of a reformed Communism, and who surrounded and moulded Alexander Dubcek into the role of a protestant Communist, lacked those qualities.

This, and indeed the absence of any political leadership in the events which fired the imagination of the well-meaning left world-wide, is confirmed by one of the men closest to Dubcek, Zdenek Mylnář, a Secretary to the Central Committee of the Communist Party and a Machiavelli to the Prince that never was. His book is most timely: the tremors shaking Poland indicate that the occupation of Czechoslovakia could for a time suppress, but not solve, the contradictions of the Soviet empire.

The book is not pleasant to read. Except when describing actual events—and his revelations from inside the Kremlin are fascinating—the author remains shackled by bad habits acquired in drafting Communist Party resolutions and writing in the jargon required by the Communist Press.

The anecdotal illustrations of the Soviet treatment of the ruling communist party of Czechoslovakia, the kidnapping of Dubcek and his friends, and the so-called "negotiations" while they were held prisoners in the Kremlin call to mind the memoirs of Cardinal de Retz. The book also lifts for the first time the veil over the inner workings of the party Secretariat and Politbureau of the Communist Party of Czechoslovakia, a story of pitiful smallness, meanness and ineptitude. "I was shocked by what I saw in the world of the rulers," writes Mylnář. "Inside the power structure I saw how lamentably little real understanding there was of the actual aims and significance of the reform; how the skirmishes and infighting over positions of power dominated; and how easily these skirmishes eclipsed the real problems of the society's future."

Mylnář provides an excellent anatomy of this power structure. Central committee secretaries were more important than ministers but less important than people who played cards with President Antonín Novotný, and all of them obeyed certain obscure officials of the party apparatus, of whom it was known that they had a direct line to Moscow. Dubcek and his friends were no romantic idealists; they made their way to the top through the party machine, and lived inside it. Indeed, if Mylnář is to be believed, they saw nothing but the party machine. This, as well as the author's need to confess and justify his behaviour in the Stalinist period and during the Prague spring, would explain why the book hardly touches on the real causes and the major problems of the Czech reform movement.

The Czech reform movement developed within the communist party but it fed on more than the guilt feelings of the apparatchiks and on the consciousness suddenly awakened after Khrushchev criticised in 1956 the lawlessness and para-

nomic cruelty of the regime established by Stalin and his associates in their empire. The system of central planning which was given quite a bit of credit by the Czechs when it was introduced in 1947 by communist economists trained at Balliol College in Oxford had lost all credibility by 1968, and the reality of an economy steered in the interests of a foreign power was driven home when Chinese orders accepted

at Soviet behest, and cancelled afterwards were efforts to prevent the Warsaw pact military exercises in Czechoslovakia. They succeeded in putting them off at the Leipzig meeting in April. In May the Czechs mustered up the courage of staging their own military exercises in Slovakia at a time when the Soviet forces were massing on the other side of her Polish border. When they finally gave up and "allowed" these exercises to take place in June they knew that only a miracle could save them.

Mylnář explains why Brezhnev could display such indifference about the successor of Novotný in 1968. He knew that the new Politbureau would include at least two of his agents; men who, to everyone's surprise, became ardent reformists after Brezhnev's arrival in Prague, and helped to topple Novotný. But the Soviets had even more powerful allies than that in the men they sent out to crush. With the exception of Smrkovsky, the Chairman of the National Assembly, who was ill and old, none of the boys were trained party bureaucrats, and their only experience of life was in totalitarian systems, whether Nazi or Communist. The moderates among them could be easily manipulated into doing their worst by a threat that if they did not, hardliners would be put in their place. The ambitious had the excuse that their advancement would bring to the nation benefits.

Mylnář's conjectures about the strife between the Brezhnev faction and the Soviet marshals, and how this influenced Soviet policy are highly plausible. He also gives a very convincing picture of the historical fear of China which possessed the older generation of Soviet marshals, but which, in my view, is part of the mental make-up of most Russians in all walks of life, young or old. What he does not make clear, however, is that long before the emergence of Dubcek, Soviet marshals, anticipating détente with the West, were obsessed with the desire to push their armies as far west as possible before the negotiations for détente started. Czechoslovakia was the only vassal country with no Soviet army on its soil, and one of the reasons why the Stalinist President Novotný was so easily dropped was that he resisted Soviet demands for stationing of their units on West German border. The Prague spring was a welcome opportunity for achieving this end.

Anyone who knew about the events only from Mylnář's book would not realise that the main preoccupation of the Czech

Hinde sight

BY RACHEL BILLINGTON

Mr. Nicholas
by Thomas Hinde
Macmillan, £6.95, 269 pages

Sir Henry and Sons.
A Memoir
by Thomas Hinde
Macmillan £6.95, 173 pages

Daymare
by Thomas Hinde
Macmillan £6.95, 243 pages



Thomas Hinde: 28 years later

The presentation of character in a novel varies from a take it or leave it physical description accompanying vigorous action and dialogue to the deepest possible analysis of every layer of consciousness. The former method is generally favoured by a lot of bad writers and some very good ones—Hemingway, Muriel Spark, etc. The latter is most often used by the consciously intelligent writer who has a real gift for exploring character and can't resist mapping every nook and cranny. Sometimes this can be rewarding. Sometimes it can clog up a novel to the extent that it becomes unreadable.

This is relevant to the writing of Thomas Hinde who has three books out simultaneously. The first, Mr. Nicholas, is a reprint of a novel written in 1952. It concerns the relationship between an Oxford student and his family, with the dominant father being the dominant character.

The second, Sir Henry and Sons is a memoir of Thomas Hinde's relationship with his own father, Mr.

Nicholas unmasked as Sir Henry Chitty Bt. The third is Daymare, a novel about a village which is threatened by the disintegration of society both from within and without. (In the end "without" proves the nastier.)

Mr. Nicholas is a wonderful novel, full of passion but written subtly with humour, sympathy and restraint. Father, mother and three sons are locked in a terrifying family dance. We care that they should survive. The insights we are given into their characters arise naturally and never overweight the story or the prose. Mr.

Nicholas himself is a brilliant portrayal of a fascinating monster.

One turns therefore with interest to Sir Henry and Sons. Where is the reality? Unsurprisingly, being reality, it is less

vivid, less shapely and filled with the kind of details of the past which, according to mood can seem utterly trivial or a meticulous evocation of a past era." Thomas Hinde, the son, clearly feels more affection for his father than Thomas Hinde, the writer. Or perhaps time has softened the despot's image. At any rate this takes out some of the vitality of misery, hatred and love. Possibly the realisation of this caused Mr. Hinde to centre the book on his father yet write in some depth about himself. The spotlight becomes his when he reaches Winchester.

It is at Winchester that he first identified his gifts as a writer. "Because we live in such a close-packed society, we are of constant interest to each other. Everything anyone does or says is noticed and discussed. Characters are continually analysed. It is an activity in which I discover unusual confidence."

It is this "confidence" which in the third book, Daymare has eventually—28 years after the successful Mr. Nicholas—caused his downfall. The novel is crammed with characters, a whole village of them, all with their peculiarities, all understood from the inside by Mr. Hinde. And then turned inside out for us. The smallest appearance, a mere walk-on part, is accompanied by such a load of analysis that he is sunk before he says a line or takes a step. On occasions, for a few pages, it will seem richness, even marvellously good writing, and then again it becomes too much. The narrative thread, never very strong, relying on a vague sense of menace to keep us reading, knots up once too often. Why carry on? It is a pity. The end when it comes is powerful; the image of our society cathartically bitter.

THE FINANCIAL TIMES 1980 SURVEY PROGRAMME FOR

LATIN AMERICA

*January 11

*April 18

*June 2

*June 10

*June 30

*August 20

October 6

October 28

December 1

December 17

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FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Then contents, size and publication dates of Surveys in the Financial Times
are subject to change at the discretion of the Editor.

Mrs. Browning

Mrs. Browning, the story of
Elizabeth Barrett

by Rosalie Mander, Weidenfeld
and Nicolson, £7.95, 162 pages

aspects of her life which are only fleetingly touched upon. There is little deep discussion of the nature of her illness, her relationship with her tyrannical papa, or the exalted love she had for Browning. As she believed strongly in the development of an inner life—the concept permeates her poems and sustained her through the long years of outward subjection at Wimpole Street—it leaves the definition of her character shadowy and vague.

Rosalie Mander does draw attention to her talent for satire of contemporary life, she chronicles her relationship with Georges Sand, her belief in spiritualism and her political involvements with Italy.

VALERY MCNELL

BOOKS OF THE MONTH

Announcements below are pre-paid advertisements. If you require entry in the forthcoming panel application should be made to the Advertisement Department, Bracken House, 10 Cannon Street, EC4P 4BY. Telephone: 01-248 8000, Ext. 7064.

Selected standards and policy statements of special interest to women workers adopted under the auspices of the ILO

Joyce Carol Oates is a distinguished academic in the United States, as well as fine novelist. So when she produces a novel set in a university, we expect something more than the modish campus novel, and in *Unholy Loves* we are not disappointed.

The plot concerns the arrival at Woodslee University of Albert St. Dennis, said to be the greatest living English poet. He is to be poet in residence, to

witlessly triggered by the ageing poet. But the strength of the novel is in the range of characters we are made to feel for; the older academics whose sociability and generosity mask a relentless ambition, the lecturer dying slowly in a wheelchair and talking loudly, endlessly about it, the beautiful young wife of a new lecturer who gradually learns how to reverse her husband's termination of contract, the faded enfant terrible who still believes he shocks his students. A remarkably accomplished book.

Anita Desai, in *Clear Light of Day*, also attempts an unusual structure, which the reader hardly becomes aware of until the end. Her novel is about an Indian family of four, especially round 1947 and at the present. But it is organised in unobtrusive shifts of perspective, beginning with the return "home" of Tara, wife of a successful diplomat, and her guilty reaction to her sister Binu, who has stayed in Old Delhi to teach, and to care for their serene, retarded brother Baba.

The movement is from present to past, to a gradually deepening understanding of both. Binu has been estranged from her brother Raja, in childhood almost her other self. Baba is the only wholly happy member of the family; his happiness is in an ancient gramophone and a pile of scratchy records, which satisfy him completely.

The sisters have to come to terms with old times, emotions, fears. Tara racks herself with reproach, for having deserted Binu, once a child set on by a swarm of bees, but more seriously as an adult, leaving her with an idiot brother, a dying aunt and a family business to care for. And Binu has to make an inner peace, especially with Raja.

Departures is another first novel set in New York. Lydia is a post-graduate student of entomology, who runs every day: Kramer is a would-be film maker who plays basketball. Even before they fall in love, Kramer is intending to go West. Lydia is staying behind. But she has to remake her life. The bulk of the novel is concerned to chronicle that gradual process, through old and new relationships, with honesty and candour.

Second Sight is an ambitious attempt to portray an unusual 15-year-old girl. Jennifer has a strange, almost psychic quality, and she lives in vivid imaginings of Shelley, and of Aphra Behn, about whom her father has written a book. She loves her father, and is repelled by her mother's blatant sexuality and promiscuity.

At the same time, the novel concerns a murder trial which father is to write about, and the characters of that drama. Jennifer's mother takes a young lover, Paul, who seems attracted to Jennifer also, and to be somehow involved in the murder case. Will Jennifer press her plane for a seance, to impress her father with her powers, or will she accept her physical responsiveness to Paul? Disappointingly, the question is only partly answered, but the novel is strong, individual and full of promise.

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Love, etc. is another first novel set in New York. Lydia is a post-graduate student of entomology, who runs every day: Kramer is a would-be film maker who plays basketball. Even before they fall in love, Kramer is intending to go West. Lydia is staying behind. But she has to remake her life. The bulk of the novel is concerned to chronicle that gradual process, through old and new relationships, with honesty and candour.

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VALERY MCNELL

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LEISURE

No lack of a port of call

TRAVEL

SYLVE NICKELS

NEARLY 90,000 people sailed out of British ports on cruises last year, and about half as many again left from British airports on fly-cruises to join a voyage out of some foreign port.

The basic advantages of each are fairly obvious. Sailings from the UK eliminate the hassle with luggage and the restrictions on its weight. Fly-cruises get you to the sun more quickly.

With over 100 cruise ships operating around the world, there is plenty of choice and the emphasis on long haul continues quite apart from the several world cruises. Of the limited number that are actually sailing from Britain this winter, the lion's share probably goes to P&O from Southampton to the Canaries. West Africa and Brazil between early October and the New Year, and Fred Olsen's regular 13-night return sailings to the Atlantic Islands from London (Millwall).

But in terms of world-wide popularity, it is the Caribbean that heads the list. About a million people are said to cruise out of Miami in a year. Last year only 7,000 were British but, with the strength of the pound over the dollar, there ought to be a sharp rise if the shipping lines play their cards right. Certainly it will pay the British holidaymaker to shop around or even better, find a good agent — for shopping around applies to more than just the cost. You can, for example, go British (Cunard, P&O), Norwegian (Norwegian Caribbean, Royal Viking American, Royal Viking),

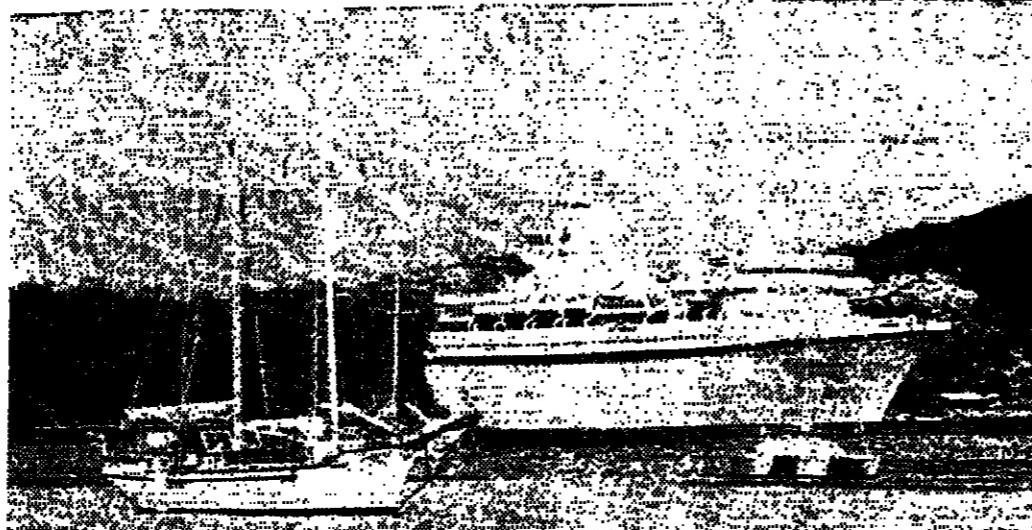
Italian (Costa Line), Greek (Sun Line), Russian (CTC) or Dutch with a spice of Indonesian (Holland America).

The various national characteristics certainly make an impact. Unless you are an inveterate shipboard person, the number and selection of ports of call is of prime importance too.

Among the bargains this winter is Cunard's offer of some free flights to New York or San Juan for QE2 and Countess or Princess Caribbean cruises. Norwegian Caribbean's Norucco (formerly the France) will certainly be a great draw, too, with her seven-day voyages out of Miami.

Whichever line you choose, however, a considerable proportion of your fellow passengers will be North American. Thus you will make friends almost as soon as you articulate, for British accents still seem to attract and intrigue, and natural trans-Atlantic bonhomie dispenses of most barriers.

But be wary of organised shore excursions. The Americans are insatiable collectors of the most amazing curios and excursions are often geared to shopping rather than local sights. Providing they are forewarned, cruise staff can usually make arrangements for small parties of non-shoppers to do their own thing, and it can save a lot of frustration.



M5. Sun Viking with small boats off St. Thomas in the U.S. Virgin Islands.

That said, I had a marvellous time on a 14-day Holland-America voyage touching eight Caribbean island and mainland ports. Next winter, three of their ships combine to offer 9, 10, 11, 12 and 14-day itineraries.

Choose carefully and the variety of landfalls in terms of scenery, local colour and historical influences can be quite remarkable.

An area in which the permutations on cruising or fly-cruising have developed sharply combines Californian ports with Mexico, sometimes extending to Florida via Panama and Caribbean ports — and vice versa.

Royal Viking Line and P&O are among the major contestants.

P&O's cruise series out of Los Angeles, for example, features Acapulco, the Panama Canal, Cartagena and five Caribbean island ports, and duration is 20 nights including return flights from London.

In West African waters, Finnlines has carved quite a name for itself and leisurely 15-day winter itineraries on the eastern end. Special reductions apply to combinations of two cruises in a "Month in the Med" offer.

With its better chances of good weather and its exotic

background, the Far East is becoming an increasing draw in spite of the distance. Cruises include one of the loveliest itineraries of all — the 14-day Prinsendam adventure voyages of Holland waters out of Singapore, all or part of which feature a range of packages ex-UK.

Addresses: P and O, BL, Beaufort House, St. Botolph Street, London EC3A 7DX; Fred Olsen Lines, 229 Regent Street, London W1R 8AP; Cunard, 8 Berkeley Street, London W1X 6NR; Norwegian American Cruises, 11/12 Pall Mall, London SW1Y 5LU; Norwegian Caribbean Lines, 63 Grosvenor Street, London W1X 0HU; Royal Viking Line, Hanover House, 73 High Holborn, London WC1V 6LS; Costa, Line, 16 Maddox Street, London W1R 9PL; Union Lloyd (for Sun Line and Finnlines), 27 Cockspur Street, London SW1Y 5BG; CTC, 1-3 Lower Regent Street, London SW1Y 4NN; Holland America Cruises, 175 Tottenham Court Road, London W1P 0DE; Lauro Line, 34/36 Rosebery Avenue, London EC1R 4RE; Karageorgis Lines, 36 King Street, Covent Garden, London WC2E 8JS.

Though it is no use expecting a good-weather guarantee in the Mediterranean, it will certainly be substantially better than in home waters. BT's 13-night series on the Uganda, packaged as fly-cruises, all start from Mediterranean ports and concentrate mainly on the eastern end. Special reductions apply to combinations of two cruises in a "Month in the Med" offer.

With its better chances of good weather and its exotic

America takes on Europe

GOLF

BEN WRIGHT

PUT NINE GOOD Americans into a European field and you can confidently expect one or more of them to dominate. So it is a Walton Heath, where, in the third European Open, Lon Hinkle is 10 under par, after 28 holes. Tom Kite is 8 under, after completing the two rounds, and the nearest home challenger comes in the rather unlikely shape of Dennis Durnian, a 31-year-old professional from Bolton.

The Lancastrian, who was on the verge of giving up the professional tour at the end of last year, put together two of the best rounds of his life, to be 7 under par — a position which, even if he did not improve on it in the last two rounds, would earn him the biggest cheque of his life.

The leader board, as befits such a cosmopolitan title as European Open, had a varied look about it, with Australian Bruce Devlin in a 6 under par; Gary Cullen, raised in Rhodesia, at 5 under; Bernard Gallacher and Sandy Lyle from Scotland at 4 under; together with Irishman David Jones, Englishman Carl Mason, and American Len Thompson, all on the same 4 under mark, 142.

Out on the course, with one hole to play, Mark James, recent winner of the Carrolls Irish Open, was six under par, and looking to join the leaders.

At the other end of the scale, the tournament saw the last of such distinguished figures as Nick Faldo, whose second round



Sandy Lyle



Tom Kite



Denis Durnian

players with immense talent who have been branded as having no character."

Kite only managed a par 5 on the 14th, but earlier he had got his score moving by holing from eight feet at the par 5 second for an eagle. He followed this with a birdie at the third and another birdie at the long sixth, where he pitched over a bunker to two feet.

He birdied the eighth hole with a 12-foot putt, and actually managed his final birdie at the par 5 11th, where he had to wait for play to resume after hitting his drive on to the fairway. He hit his second 40 yards short and wedged to 12 feet.

Walking down the 14th fairway, he allowed himself to be interviewed by ITV, and, far from upsetting him, he considered it to be a splendid idea.

Kite is on the players' Board

in America and knows from first hand the problems of sustaining television and public interest in golf in America. He said after the round: "Interviews of this kind can only do the game good. The public get to see us as near first-hand as possible, and can form their own judgments. We need to do all we can to sell to the public some of the young

in Australia — and is known as something of a gourmet to boot. After his first round, he spent the evening with former jockey Geoff Lewis, and the meal kicked off with caviare and was followed by two barbecued roast ducks.

It seemed to suit Devlin. In the course of his round, he single-putted six of the last eight holes and performed a minor miracle at the 18th. He hit his drive into the rough, and could only bunker his second after hitting a 3-iron fat.

He thus went back to 4 under, when, at this stage 5 under would have kept him very definitely in touch with the leaders. He left the course regretting the missed 4 footer at the 14th, which hit a spike mark on its way to the right edge of the hole, and the three puts he took at the first after very nearly holing the first one from 25 feet.

Typically, he was in a divot mark on his drive and, despite getting the ball to within a few yards of the green, he then found himself in another one.

He tried to use his putter to roll the ball out of it, but he finished up ten feet short of the hole and missed the putt.

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mark on its way to the right edge of the hole, and the three puts he took at the first after very nearly holing the first one from 25 feet.

Lyle is involved in fierce competition with Severiano Ballesteros and Greg Norman to lead the European Money List. Norman is currently £1,300 in front, but he is also at this moment 3 strokes behind Lyle. Ballesteros is 2 behind and for the dedicated European golf-watcher there will be almost as much interest in this subsidiary battle as there will be in the overall war.

Mix the garlic and lemon into the cream cheese, season with salt and plenty of black pepper and sugar. Cut the avocados in half lengthways and remove

Ways with yogurt

COOKERY

JULIE HAMILTON

AS I SIT in a modest village restaurant in Cyprus, savouring the aroma rising from the charcoal which is cooking my fish, a clay pot full of creamy yogurt is placed on the table, with salad and other side dishes.

It is the very best yogurt I have ever tasted. I feel sure it is made in the Cypriot sunshine which cannot be repeated at home.

Nevertheless, home-made yogurt is the next best thing, far superior to anything bought in a shop. I have a Pifco yogurt maker which will give me up to 3.25 pints in one go,

whether you have a large family or when you want a plenty left over for eating straight.

Another advantage of the yogurt maker is that you can vary the yogurt, making it milder or sharper, thicker or thinner, with or without cream.

The Pifco comes with a very good little instruction and recipe booklet. The method could not be simpler. You mix the sterilised milk of your choice with a small carton of any natural yogurt, place it in the containers and switch on.

The time taken varies according to the type of milk used and the consistency required.

YOGURT SOUP
(serves four)

1 pint yogurt; 1 pint water; 6 oz cream; 6 medium-sized cooked potatoes; 6 hard-boiled eggs; 1 cucumber; bunch of radishes; 1 lb chopped ham or leftover cold chicken.

Mix together the cream, water and yogurt. Cube the potatoes and cucumber, chop the hard-boiled eggs, thinly slice the radishes and, with the ham or chicken, add them to the yogurt cream mixture. Season to taste.

The soup should be very thick with ingredients and served with hot toast or French bread.



Pifco's yogurt maker can be found in most good kitchen or electrical departments, price £15.95.

frozen ones); 5 eggs; 1 pint yogurt; 2 tablespoons icing sugar; 1 tablespoon caster sugar; 3 teaspoons gelatine (1 packet); 2 tablespoons lemon juice; 1 tablespoon hot water; 1 big pinch cinnamon.

Hang up the yogurt in butter muslin to drip for at least one hour. Purée the fruit by pushing it through a sieve. Add the icing sugar to it.

Separate the eggs. Cream the yolks with the caster sugar until they are very pale and creamy. Add the yogurt. Place in a bowl over boiling water and stir continuously until the custard begins to thicken. This will take quite a long time but the result is worth the trouble. Mix the lemon juice and hot water, and sprinkle the gelatine over it. Put in a warm place to dissolve.

To serve, carefully peel the whole avocados and slice them across, as you would a hard-boiled egg, to produce green rounds with white centres. Place on a lettuce leaf and offer hot French bread.

My next recipe is a substantial starter and could easily be supper dish on its own.

MELITZANES BYZANTINE
(serves four)

This is a rich and strong-tasting dish, good on its own or with lamb, chicken, pork or ham. It would drown the delicate flavour of fish.

1 large aubergine; 4 or 5 tablespoons olive oil; 12 tablespoons tomato coulis (or purée); 12 tablespoons yogurt that has been hung up to drip for at least 1½ hours; 1 teaspoon oregano; 1 finely chopped onion; 1 teaspoon cheese; pepper to taste.

Slice the aubergine into 1-inch rounds and sprinkle them generously with salt. Leave for 20 minutes. Then wash in cold water, drain and pat dry.

Oil a griddle pan (I find I use much less oil if I use this kind of frying pan) and fry the aubergine slices on each side for about five minutes brushing them with oil while the first side is cooking. Combine all the other ingredients, except the Parmesan, in a blender for at least 30 seconds, or beat them together by hand for five minutes.

Grease a gratin dish and line the bottom with a layer of aubergine. Spread half the tomato yogurt mixture over it and cover that with aubergine. Add another layer of sauce. Sprinkle all the Parmesan on the top and bake for 45 minutes at gas mark 5 (375F). Serve hot or cold.

For people who are conscious of the supposedly ill effects of cream, the following cold yoghurt soufflé could be the answer.

COLD YOGHURT SOUFFLÉ
(serves six)

1 lb strawberries or raspberries (could be unsweetened

Direct from the Vineyards
Sauvignon Blanc £1.68
COTES DU RHONE £1.68 per bottle
Case of 12 ordered - only £15.62

Large selection of machines to choose from. Our prices cannot be challenged anywhere in the U.K."

Verbena

EVERY YEAR a considerable number of trials of flowers grown from seed take place in many parts of Europe. They are organised in several quite different ways to serve quite different purposes from the private evaluation by seed marketing firms of the best varieties to include in their catalogues to large scale trials of varieties within a single genus to place the best in order of merit irrespective of their availability to the general public.

A few of the big commercial trials, such as that held annually by Unwins of Histon near Cambridge and Dobies at Llantollen, are open to the public and so are the single genus trials grown by the Royal Horticultural Society in their garden at Wisley, near Ripley, Surrey. This year these latter have included antirrhinum, now past their peak though some varieties are promising to give a good second display in September: verbenas, which are still spectacular, and zonal pelargoniums which, when grown from seed, are always a little slow to start flowering the first year unless treated with one of the flower promoting chemicals, such as Cycloset, which the R.H.S. rules do not permit. As a result they are only now coming to their peak display and should continue to be good until frost brings them

GARDENING

ARTHUR HELLIER

side with one or more other varieties chosen for comparison as being the nearest existing varieties to the one being evaluated. Points are given for each new variety at each trial centre and the awards are based on the average of all these points, though the highest and lowest are eliminated apparently in an attempt to avoid freak assessments which one would have thought, under these circumstances, ought not to be necessary.

Another peculiarity of the Fleuroselect Trials is that the great North American flower market. It was formed in 1970 and has trial grounds in almost every country in Western Europe from Finland in the north to Italy in the south with several scattered over Britain. These trials are all situated in the establishments of member firms and each is judged by one person chosen for his or her knowledge both of the breeding and the marketing of flower seed varieties.

HOW TO SPEND IT

City slickers

IT SEEMS exceedingly ironic timing that just as the headlines on unemployment and the recession grow daily more depressing, so more and more shops are aiming to sell yet more expensive clothes to women. The answer, of course, is that although women are not exempt from the effects of dwindling pay packets and falling profits, there is one section of the market that has, until now, been grossly overlooked—and that is clothes for the working woman.

Traditionally, fashion in England—in the upper price brackets—has flourished in the field of evening wear—sophies for the woman who spent much of her day in domestic pursuits and came into her own at night when her husband came home and took her out. Nowadays the numbers of women who go on working after marriage, who perhaps stop for a few years to have their children and then go back again, is increasing all the time. Clothes for this sort of woman is a vastly expanding market.

There are now women who earn the kind of salaries that enable them to buy quite

minute, which is what almost every woman, let alone the working woman, wants.

Klein's clothes are the sort that you can put on and feel you look a million dollars but because there is nothing startling or exaggerated about them you will be able to keep them for years—and at his prices, you will need to. His jackets start at £135, while wool skirts are about £70.

In the meantime, Austin Reed has been quietly testing out its new "Options" department since the middle of August.

Traditionally a menswear store Austin Reed began to feel that it had plenty to offer the new working woman, too. To begin with the company had plenty of skills among its tailors and shirtmakers that could be happily adapted to making equally fine but softer tailoring for women. So there are some classic suits for those whose taste runs to it—some fine grey flannel, a lovely brown herringbone tweed—and the whole look has been skilfully put together by Gill Hewitt, the fashion buyer, so that nothing looks too sharp or too masculine.

There are fluid suits and dresses by Dora Reisser, Paul Costelloe's gentle tweeds, some soft suits by Kay Cosserat and the travelling woman executive will find some wonderful buys—a marvellous black silk evening coat which you could pack and take anywhere as well as some lovely padded and sequin-strewn black silk evening jacked.

You could, if you take to the style, buy an entire wardrobe at "Options". There are shirts (I particularly liked the silk ones cut like men's collarless shirts) and soft blouses and a charming collection of knitwear as well as shoes, handbags and other accessories to go with almost everything. Look out, too, for a superb collection of raincoats—some lined, some plain—which I have found to be a much more practical cover-up when travelling than a wool coat, even in winter.

"Options" hopes to do more than just sell clothes—it wants to offer a complete service to the busy woman. The staff will advise, make an advance selection on request, alterations will be done fast and wardrobes planned.

Prices seem to me what you would expect—not outrageously high but the sort you would expect to have to pay for good quality material, workmanship and service.

For the moment "Options" is only at Austin Reed in Regent Street, London W1 but for women all round the country who want clothes of this sort a name to look out for is Planet. Planet is a subsidiary of the Windsor group and though it is only just over a year old,



Burberry's has for a long time been one of the traditional hunting grounds for beautifully-made, classic clothes that could always be relied upon to look good. There used to be two main drawbacks for some of us—one was the high prices and the other was that though the clothes were of exquisite quality they were often, dare I say it, on the dull side. However, now that the prices of everything are so high Burberry's are only a little more but are designed to outlast trendier rivals and so may well prove to be the better buy. As to the dullness—fashions have changed and at the same time Burberry's has produced some eminently useful and pretty suit in blue and brown flecked tweed. The jacket is the new shorter length while the skirt is comfortable to wear, having large pleats back and front. £222 from Burberry's, 18 The Haymarket, London SW1 and 165 Regent Street, London W1.

It has already doubled the number of shops within shops selling its wares.

Judy French, an energetic blonde, is the woman behind it and she designs the sort of clothes she needs and likes to wear herself. She thinks the hardworking, busy woman wants clothes that are not cheap, that are well-made and fashionable without being so startling that she feels out of place. She needs skirts that are comfortable and easy to wear, tall skirt fabrics

are tested on real users before the fabric is even ordered) and she wants clothes that will always look right and never date.

Those who like the Planet look will find that they can build up an entire wardrobe round a colour group—choosing jackets, skirts, trousers, shirts, all of which will work together.

Many Debenhams stores have a Planet shop, as do shops like Dingies of Plymouth and Bournemouth, Frasers of Glasgow and Selfridges in London.

FASHION

reasonable wardrobes for themselves, who are just as busy, if not more so, than any man, and want the kind of service that he has been used to getting. There are women now for whom the daytime wardrobe is infinitely more important than the evening one—who want to be able to look reasonably confident and organised during the day (even if in reality their mind is just as much on who is collecting their small child from school that day and what they will eat for dinner that night) and yet go on to friends' or the theatre without feeling out of place.

Though it still isn't always easy to find the sort of clothes that fill this role—and it certainly won't be cheap—there are more and more companies beginning to cater for their needs.

Just opened this week, as almost everybody must have noticed, is the Calvin Klein shop, at 24 South Molton Street, London, W1, selling only, as the name implies, clothes by the great American designer of that name. I have a friend who invested in one Calvin Klein jacket six years ago and she goes on wearing it and it still looks wonderful. Nothing he does is cheap and everything he does seems to combine being timeless and up-to-the-



Centre picture Trevor Humphries

Above left: From the Planet collection is this skirt and jacket which looks cool and collected for the office but doesn't look too severe when partnered with either a soft blouse or a lacey sweater, as in this photograph. The skirt is made from 100 per cent pure wool, is lined and has inverted pleats both at the back and the front. In rose, slate, heather or sage, sizes 8 to 16.

The skirt is £26.95. The matching jacket is made from the same fabric in the same colours and sizes and costs £49.95. The Planet collection is sold through Planet shops-within-shops—there are now 51 such shops and the number will be increasing shortly to 63—in shops like the Debenhams group, Selfridges, Frasers of Glasgow, Dingies and Bournemouth and Plymouth.

Above centre: one of the designers who Gill Hewitt has chosen to feature in the "Options" Department at Austin Reed is Paul Costelloe. For this winter he has a marvellously useful (and attractive) tweed skirt and matching loosely-belted coat. The tweed is in grey, wine and blue and to go with it Paul Costelloe offers lots of alternatives—here the model is wearing a soft white Viyella shirt (£17.95), maroon sleeveless sweater (£42) and maroon cravat (£7.95). Both coat and skirt are of 100 per cent wool. The skirt is available in sizes 8 to 14 and is £52, while the coat is £150.

Above right: Three-quarter length coats, are exceedingly useful for those women who drive to work, and the Planet collection includes a selection of them in different colours, including rose, slate, heather, sage and black. In polyester/wool mix, the jacket is £59.95, sizes 8 to 14. Worn under it is a cowl-necked lambswool sweater-dress in three colours—rose with a blue and green stripe, heather with a green and rose stripe or slate blue with a heather and green stripe. From Planet shops-within-shops.

Wellie special

MOST OF us have at some time or another bought high-fashion boots and discovered the miserable way that not only are they not waterproof but that they also quickly lose that pristine glossy look when exposed to mud or rain. The cry from the retailers that "of course, the boots weren't designed to keep out wet" has never seemed to me reasonable but it's one they seem to get away with.

This still leaves one with the problem of what to wear when it rains that isn't an old-fashioned wellie. Rign of Italy has produced a whole range and Saxone.

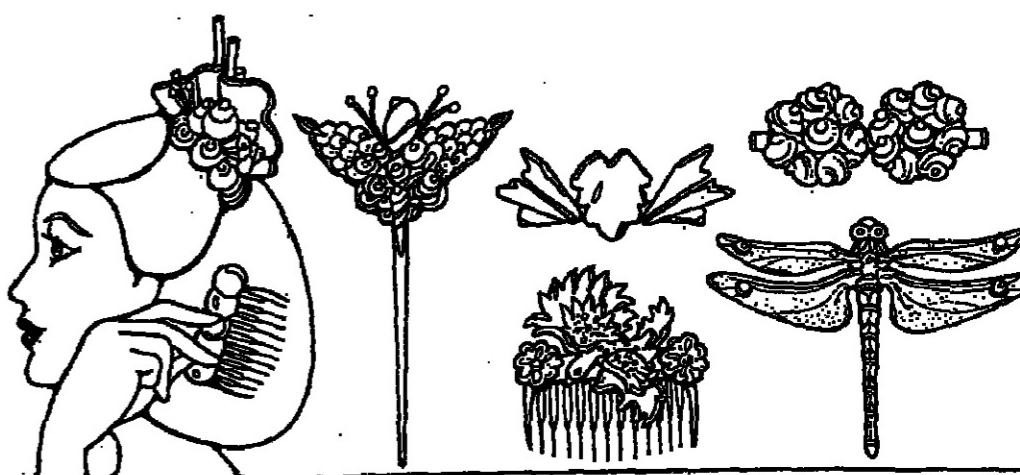
Getting to grips with your hair

ALMOST NEVER has there been such incentive to grow one's hair. The shops are full of enchanting hair ornaments that seem to cry out for thick, tumbling locks. However, even those of us whose hair is less than our crowning glory will find that these ornaments are so decorative that they will want to find some way of using them.

The selection sketched here has come from two London shops but both shops have offered to post any of them for an extra £1 per comb or slide.

Both shops have a large selection so even if they no longer have a specific slide there will be lots to choose from.

L'Artisan Parfumeur is at 194-196 Walton Street, London SW3, and Molton Brown is at



Anne Morrow

58 South Molton Street, W1.

Parfumeur. Shaped like a butterfly, it is made from pearl shells and has a tortoise shell stick—perfect for chignons. £12.

The small pink bow is one of

a huge selection of bow slides

from Molton Brown and costs £5.25.

Next to it is another large exotic ornament from L'Artisan

diamonds. £12.50 from L'Artisan Parfumeur.

Finally, the two clusters of pastel shells form a slide, £3

from Molton Brown. Below it is an iridescent dragonfly, with a gold body and wings gently coloured in glistening pink, pale green and gold, tipped with pearls. £8 from L'Artisan Parfumeur.

Postscript

AS WE at last seem to be having what most people might recognise as a summer and as the taste for American-style crushed ice seems to be growing apace, it is worth knowing of a simple little gadget which is both ice-bucket and ice-crusher. Made of smoked brown acrylic, the ice is put into the top section and at the turn of the handle falls into the ice-bucket section below. It needs no batteries or electricity and is small and light enough to store and to carry about.

The crushed ice can be used, obviously, not only for cooling drinks but also to keep things like melons cool if eating out of doors. The ice-crusher shown below is available only by post, for £4.99



them if anything went wrong with their freezer—it hasn't happened to me yet but I sometimes have nightmares about what I would do if it did. It isn't just the cost of all the food but all the hours of work that would be wasted. Nothing can protect you from the wasted work but a good insurance policy can protect you from the financial loss, so anybody who hasn't yet insured their freezer might like to know about the FreezerGuard Insurance Service.

Basically four different insurance plans are offered which cover a variety of risks. For instance, for £1.50 annually the

scheme offers to cover risks of loss, damage or deterioration of food from any cause including fuses, unintentional disconnection, explosion, fire and accidental failure of the electricity supply excluding deliberate withdrawal by the Electricity Board. Each of the other three schemes becomes progressively more expensive but offers of course, more cover. The top-most scheme costs £8 a year and covers in addition to all the other risks, sudden breakdown repair costs up to £250. The insurance is available from Ernest Linsell, 1-19, New Oxford Street, London, WC1.

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The resurgence of coal as a vital energy source will have considerable consequences for industry, government and finance worldwide.

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- * Government policy
- * Transport—shipping rates, tonnage, ports and port development and capacity
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ARTS



Les Saxon, Celena Duncan, Oscar James, Derek Griffiths

The Wiz

BY B. A. YOUNG

The Wiz is not *The Wizard of Oz*, and people who go to the Crucible Theatre in Sheffield expecting to relive the emotions they felt when they saw Judy Garland leaning on a haystack and singing "Over the rainbow" will have to adjust their emotional sets. The plot is similar: Dorothy is whisked from Kansas into the land of Oz by a whirlwind, and there she meets a Scarecrow who wants brains, a Tin Man who wants a heart, and a Lion who wants guts. All these, with Dorothy's return ticket, must be obtained from *The Wiz*.

The details are different. The new dialogue by William H. Brown isn't aimed at young moviegoers, but at adult black audiences. Perhaps I should have mentioned earlier that the whole company is black. There are knowing jokes that stem from current affairs, and the music, by Charlie Mills, is pop music of our time, though stopping mercifully short of reggae or punk rock.

The Wiz, who is given a funny, very camp performance by Peter Straker, lives in Emerald City, which is a send-up of New York. He proves to be a fraud, but at least he can do tricks enough to provide the Scarecrow with a packet of All-Brain, the Tin Man with a velvet heart, and all four of his

petitioners with the confidence they need when he sings a pretty song, "Believe in yourself"—sung more earnestly after he has flown away in his helicopter (leaving Dorothy behind) by Pearly Gates, who follows it with an even more earnest number, "A rested body is a rested mind," and so clinches the moral attitude of the show.

Fantastic plot and sophisticated talk (not, alas, continued in the lyrics) produce something at the intellectual level of a Christmas pantomime; and as Peter James's spectacular production uses lots of marvellous machinery, there is much to enjoy. Celena Duncan, in a brilliant white frock, sings Dorothy's songs attractively, through a microphone of course; her last song, "Home" induced a little party to give her a standing ovation half-way through.

New Alan Bennett play to open at the Vaudeville

Enjoy, a new play by Alan Bennett, starring Joan Plowright and Colin Blakely, will open at the Vaudeville Theatre on October 15. It will be directed by Ronald Eyre and designed by Douglas Head, with lighting by Nick Chealton and costumes by Deirdre Clancy. The producer is Michael Codron.

Enjoy will play at Richmond Theatre from September 29 for two weeks before coming to the West End.

unnatural figures in the story—the tornado, the yellow brick road, the Mice Squad, crows, munchkins, winkies and the rest. The dancing is vigorous, but Gillian Gregor's choreography didn't quite come to life as I hoped it would.

Perhaps the shape of the stage works against it. The Crucible's usual pentagon is pierced by three bigish holes for access to the good eleven-piece band underneath (musical director, David Firman). The decorative machinery is the work of set-designer Roger Glossop; and art and costume-designer Deirdre Clancy may well be pleased with the look of the production.

The artistic policy will remain what it has always been at Pitlochry, which Dr. Ireland summarises, somewhat misleadingly, as "being all things to all men." In practice this means keeping the locals happy with something distinctively Scottish. (I do not see how they can possibly open at the new address without a *Bridie* revival in the bill.)

And keeping the visitors happy with a surefire comedy or two and thriller. And finally keeping the critics and pseudos happy with something more esoteric.

Clearly Mr. Klebs comes at the esoteric end of the spectrum but it is nonetheless an entertaining play. Only the stultifying caution of theatre management further south can explain why the work of Obaldia is not

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Pitlochry—a theatre without gods

BY ANTHONY CURTIS

"There are too many gods in the British theatre," the French playwright René de Obaldia said to the actor Andrew Melville who takes a leading role in one of his plays at this season's Pitlochry Festival Theatre. "It is so hard to be god," he added. Obaldia was in Pitlochry for *Monsieur Klebs and Rosalie*, a "comédie futuriste" which was performed in Paris five years ago, and which in the English version by Barbara Wright is one of the most interesting productions of the current Pitlochry season, lasting until October 4.

The director is a Yugoslav, Vlado Habunek, who had previously directed the play in Zagreb, and who, according to Mr. Melville, shares with the author a humility in theatrical matters bred of many years of work in a theatre without gods.

Mr. Melville was being interviewed in a programme last Thursday on Radio 4 UK in the *Enterprise* series "about the people who are winning against the odds." It told the story of this theatre, founded by John Stewart in 1951, and its dramatic struggle since Stewart's death in 1957, sustained by its director Kenneth Ireland to ensure its survival. I hope to report on the new theatre fully when it opens in May next year. In the meantime during my visit to Pitlochry last week I was taken on a tour of the half-finished building by Dr. Ireland, and was astonished by the amount of progress that has been made since last year. The roof is on, in gleaming aluminium, and even some of the glass panelling through which the visitor, sipping his drink, while waiting to enter the auditorium, may observe the fisherman casting their lines into Loch Faskally.

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And keeping the visitors happy with a surefire comedy or two and thriller. And finally keeping the critics and pseudos happy with something more esoteric.

Clearly Mr. Klebs comes at the esoteric end of the spectrum but it is nonetheless an entertaining play. Only the stultifying caution of theatre management further south can explain why the work of Obaldia is not

better known in England. To be sure with a writer so fluent in purely verbal as well as theatrical inventiveness there is a more than usually difficult problem of translation, but Barbara Wright showed that it is not insoluble. Otherwise like most of Obaldia the play is sparing in its requirements. All you need is a set that looks like an experimental laboratory disguised as a conservatory, charmingly provided here by the guest designer, Dinka Jerecic also from Zagreb, and two strong character-actors.

Mr. Klebs is a kind of god, a god of scientific rationality and the play is indeed about the difficulty of being such a god. Every Government in the world wants to acquire his services with a destructive intention. He has gone to ground to escape from them living in obscurity pretending to be a nursery-gardener. Andrew Melville plays him with a David Kossoff voice and a compulsive loquacity both of which seem dead right. He has so much to express but no-one with whom he can converse. He has therefore invented a computer—a multi-coloured contraption of knobs, cassettes, and display lights in this production—into which he has fed all his original thought as well as storing most of the major literature, scientific knowledge, mathematical and philosophical speculation known to mankind. He calls the machine Rosalie and gradually it acquires a mind and body of its own. Klebs pulls a lever: the head, the torso of weird girl emerges. Rosalie, played by Kate Gielgud (yes, she is his great-niece) answers Klebs' questions with chromatic precision, until after a while she uses the thoughts he has stored in her to outwit him and to baffle for her liberation. Miss Gielgud overlays her femininity with a brittle metallic computer-manner until the woman in her breaks free and she emerges full frontal, like Minerva from the head of Zeus, out of the machine.

The play is as much a satire on modes of thought as it is of scientific enslavement. When Rosalie wants to quarrel with her lord and master like any other married woman, she is able to do so by quoting chunks of Strindberg at him verbatim. There has also to be some sort of external plot, and for this purpose Obaldia introduces the stock figures of the nosy landlady (Zeph Gladstone) and the

butcher Lane, but as soon as I heard Nicholas Coppin and Edward Newborn sounding like Peter Brough and Archie as John Worthing and Algernon Moncrieff I thought we are never going to recover from

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LEISURE

Piggott with style

PIGGOTT, Eddery and Swinburne were three jockeys principally involved in the O'Brien-Stoute and Walwyn stable shakeups, all look certain to make their presence felt again today—but on the race course.

Now times champion, Piggott, who has been replaced by Eddery as stable jockey to the O'Brien-Sangster team, can ironically, boost his own coffers within 48 hours of the split by landing a £40,000 race, founded by Sangster, Haydock's Vervins Sprint Cup. Eddery, now well adrift of Carson in the championship race, is also in action on the Lancashire course with bright prospects for Walwyn, while Swinburne is likely to be on the mark for Stoute at first.

Unless he has begun to feel the effects of a hard-fought campaign, Monrestyle ought to provide Piggott with the most valuable prize on this course,

RACING

DOMINIC WIGAN

where the aptly-named The Chase gave the great jockey his first winner nearly 30 years ago. Monrestyle, a handsome Manade colt, now around one hundred times the 4,000 guineas laid out for him as a yearling, has never run a bad race, and last time out probably produced his best display to date, when beaten at Deauville. There, the Newmarket three-year-old failed by only a short neck to hold the year older Boitron on far worse than weight for age terms in the 6½ furlongs Prix Maurice de Gheest.

For Eddery aboard Kampala in the big sprint, the best prospect of the afternoon looks to be Prince Faisal's Kareem in the Fleetwood nursery. Although the Seven Barrows juvenile may have disappointed a few backers when only fifth of 11 in York's valuable Knave's nursery on August 19, it is worth noting that he was beaten less than 44 lengths by the winner, Scintillating Air, to whom he was trying to concede 4 lbs. Kareem has less formidable opponents to beat, now that Cavalry Twill has come out and he is poised for a third success in five outings.

Cavalry Twill's handler, Michael Stoute, currently on target to train around 100 winners this season, has a good opinion of Princess Gayle, who made short work of That's Magic at Newcastle last month. Selina Zilka's filly can give Swinburne a smooth winning ride, in Thirsk's £5,000 added Highfield Stakes.

HAYDOCK

2.15—Kareem**
2.45—Sligo Bay
3.15—Bias
3.45—Monrestyle
4.15—Grand March
4.45—Cape Chestnut
KEMPTON
1.30—Appaloosa
2.00—Astonished
2.30—Hail Knight
3.00—Samu
3.30—King James
4.00—Hartsfield
THIRSK
2.15—Princess Gayle**
2.45—Frasas
4.15—Leader of the Pack*

Still mightier than the sword

COLLECTING

JANET MARSH

SOME YEARS AGO I wrote about Mr. Philip Poole's pen shop in Drury Lane. Even then the window was an eye-catcher, displaying a section of Mr. Poole's unrivalled collection of old steel pens in highly decorated boxes, and dominated by a glittering pyramid, bejewelled with thousands of pens, and originally created as a showpiece for nineteenth-century trade exhibitions.

As the steel pen became for all practical purposes extinct, Mr. Poole diligently scoured the country for surviving trade stocks, so that he could continue to supply customers, all over the world, who still prefer to write with old fashioned dip pens.

Today you can still go into Mr. Poole's shop and choose from among hundreds of styles and shapes—Mitchell's "J." Myers' Round Writer, McNiven and Cameron's "Waverley," Brandauer's Circular Pointed, even pens shaped like little hands, with the forefinger as the writing point. It is probably a bigger range than even a Victorian or Edwardian supplier would have stocked.

Of course, even Mr. Poole cannot ignore inflation; but his prices of 5p or 10p hardly seems excessive for a steel pen that is certainly no less than 30 years old, and is probably well on its way to being an antique in its own right. As a historian of the manufacture and trade, Mr. Poole can tell you that the development of the steel pen through the nineteenth century and the eventual mass produc-

tions (already by the 1850s) Hinks Wells alone were turning out some two million gross of nibs a year) were a triumph of precision industrialisation.

This week I visited Mr. Poole's shop to find that it had been further transformed in the years since my article. Now there is little sign that the official trade of the shop is retail stationer. "When people come in wanting typing paper or carbons or cash books they're inclined to look around bewildered and then say, 'I hope it's not embarrassing to ask but . . .'"

You might very well suppose that you had stepped back in time and into an Edwardian stationers. The walls are lined with boxes of steel pens, display cases, pen holders, ancient advertisements; there are show cases of ink wells, pen holders and every sort of writing equipment. You can even buy a Georgian quill cutter, an ingenious device for accurately clipping the points of goose quills to produce a writing implement which, users insist, is still the most responsive instrument for the expert calligrapher. Mr. Poole is regretful that such items are so collectable now that the price for this one is £45. For 50p, though, you can buy a ready, and

expertly cut quill, which at least saves a good deal of goose-chasing.

Alongside the library of books on calligraphy and writing instruments which Mr. Poole keeps for the reference by enthusiasts, you may find a pile of 18th century writing sheets and calligraphy specimens, nicely mounted, very framable and highly decorative at £6 each.

In the past year or so Mr.

Poole's shop has become the unofficial centre of the whole new world of collecting writing implements.

The fourth issue of a now regular newsletter has just appeared, "Published by His Nibs Philip Poole to stimulate interest in the formation of societies for recording the history of writing implements and accessories." It lists over 200 collectors, classified as to whether they collect steel pens, fountain pens, ink bottles, wells and stands, propelling pencils, penholders, or letter

balances.

Financed by Mr. Poole himself with the help of donations from other collectors, the newsletter is a quite remarkable collection of lore, ranging from the history of individual manufacturers to the classification of fountain pen filler systems. Mr. Poole is also indefatigable in ferreting out any early literature on the history and manufacture of writing instruments, which he reprints either for circulation with his newsletters or for sale at very modest charges.

Mr. Poole's own first interest is the steel pen, but he keeps a small stock of old, good quality fountain pens, primarily for people who want them for use. Fountain pens, of course, have become a highly collected item in the past five years or so; Christie's, South Kensington, now hold regular sales every three months or so.

The history of the fountain pen, as we learn from an

Mrs. Lloyd's revenge

TENNIS

JOHN BARRETT

IN A REPEAT of last year's final Chris Evert Lloyd gained revenge against Tracy Austin for defeat on that occasion by winning their semi-final match yesterday in the \$654,000 U.S. open championships at Flushing Meadow Park.

Her opponent in the final will be either the 18-year-old Czech Hana Mandlikova who had earlier beaten the No. 2 seed Martina Navratilova, or 15-year-old Andrea Jaeger who has taken on Miss Austin's mantle as the latest American teenage wonder child.

The manner of Mrs. Lloyd's 4-6, 6-1, 6-1 victory which lasted an hour and 48 minutes must have given the former U.S. No. 1 tremendous satisfaction for she took on her 17-year-old opponent from the back of the court and beat her at her own game.

The match began with a run of four quick games to Miss Austin and it seemed she would continue the dominance that she has achieved over Mrs. Lloyd since last year's final. Since then she has scored four wins without losing a set and overall leads by seven matches to five in their personal duels which began with that fascinating meeting on Wimbledon's Centre Court in the third round of the 1977 championships.

As she freely admits Mrs. Lloyd's marriage last year made

it difficult for her to put tennis at the top of her list of priorities and the voluntary break came at the end of last year when she realised that she no longer had any zest for the game.

Clearly this win meant a great deal to Mrs. Lloyd who said afterwards: "This was my most emotional match ever and probably the most important win since I beat Evonne Goolagong at Wimbledon in 1974."

Certainly it re-establishes Mrs. Lloyd at the top of the American game a position from which Miss Austin removed her last year. She must now stand an excellent chance of improving upon her already impressive U.S. Open record for she has been in the final for the past five years with wins over Miss Goolagong in 1975 and 1976 and another Australian, Wendy Turnbull, in 1977. All three were on the clay at Forest Hills, and in 1978 against Pam Shriver when the championships moved here.

The progress of youth in the women's game has been most marked this year. The average age of the eight quarter-finalists in the women's singles was 19 years eight months against last year's average of 26 years. The four semi-finalists this time average 18.9 years and the emergence of Miss Mandlikova and Miss Jaeger at the head of the women's game so young augurs well for the future for so many of the current leaders besides Mrs. Lloyd and Miss Austin (one thinks of Virginia Wade, Billie Jean King, Wendy Turnbull, Betty Stove) are fading from the scene.

Today's men's semi-finals are

at will and Miss Austin could win only six points in the last

set to Mrs. Lloyd's 6-3, 6-2.

Yesterday's match began to turn in Mrs. Lloyd's favour in the fifth game when Miss Austin projected a double fault to lose her serve. Mrs. Lloyd was now living at the younger player's pace and won 11 of the last 18 points of the opening set—not sufficient to save it but enough to confirm that she was good enough on the day to work out a win.

From 1-1 in the second set—a service break against each of them—Mrs. Lloyd reeled off four successive games for the loss of only five points and then broke Miss Austin again to level the match after 73 minutes.

Mrs. Lloyd continued to use the drop shot sparingly as a telling weapon to remove her opponent from the base line area where she operates so effectively. The passing shots too were now being hit with more confidence and accuracy and it was Miss Austin who was missing the lines by inches. By the end Mrs. Lloyd was moving her opponent around the court

as she freely admits Mrs. Lloyd's marriage last year made

of more than ordinary interest for several reasons. If the No. 1 seed, Bjorn Borg, can beat South Africa's John Kriek, as he should and John McEnroe can maintain his recent ascendancy over the man who displaced as the U.S. No. 1, Jimmy Connors, then we shall have a re-match of the Wimbledon final.

On this Decruf asphalt surface the bolder McEnroe finds his greatest chance of thwarting Borg's avowed intent to complete the Grand Slam of the world's four major championships. If Borg does win here McEnroe has already said that he will follow him to Australia in the last of those major championships.

McEnroe's quarter-final win on Thursday night suggests that he is beginning to run into form at the right moment. He was pushed to the limits of his considerable talent by the 20-year-old Czech Ivan Lendl before winning 4-6, 6-3, 6-2, 7-5 and Intril was simply forced to play his best tennis to survive.

For a set and a half Lendl seemed able to project searing winners at will—many of them direct returns of McEnroe's serve which at this point was not functioning at its lethal best. Only when he had whipped himself into top gear did McEnroe's swinging left-handed delivery begin to hold the Czech who, even then, was still hitting an embarrassing number of clean winners past his opponent.

The match lasted for two hours and 46 minutes and ended at 15 minutes past midnight but afterwards McEnroe declared privately pleased that he had been pushed so hard. There was little sign of the ankle injury which had hindered his

progress in the tournament and he said he expected his match with Connors to be a full-blooded affair. "We don't like losing to each other," he said.

Borg, too, seems mercifully to have overcome the knee injury which caused him to return to Lendl in the final of the Canadian Open three weeks ago. In revenging himself against Roscoe Tanner in a splendid five-set quarter final he was moving as fast at the end as he had done in the Wimbledon final against McEnroe. Although he will not beat Kriek for speed—the South African is probably the fastest mover in the business—he should be altogether too experienced and competent against a player who is making his first appearance in a major championship semi-final.

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For a set and a half Lendl

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Saturday September 6 1980

The City gets cynical

THE ODDEST event of the week has been the rise in the gilt market. Early in the week rumours of a cut in minimum lending rate started in the foreign exchange market; they were strong enough to knock nearly half a point off the weighted average of sterling for a time. The gilt market rose, and did not fall back. Yesterday the Government broker finally activated the official tap stock by dropping the price more than four points; the market rose again. This time the rumours were openly cynical. MRP would be cut in time for the Tory conference.

Unpleasant

The rumours need not be taken seriously; a market will always tend to rationalise its own price movements. What is quite serious is the underlying thought behind what remains a remarkable change in behaviour. A few weeks ago, when it emerged that the money supply had been growing rapidly under the suppressing disguise of the banking casket, the market reacted with a sharp fall. It was expected that something unpleasant would have to be done to reassess control.

Subsequent events did nothing to spread cheerfulness. Guesses of the August money supply figures became increasingly horrific. Interest rates in the U.S. took on a clear upward trend. The market continued to react as might be expected from such developments, and drifted sullenly downwards.

Now, however, there is a change of mood. It has been produced by three factors: an interval for reflection, a steady flow of grim news from the real economy, and the absence of any new issues of Government stock. The broad conclusion now is that whatever is due to happen next, it will not follow the conventional pattern. The economy is too weak to take a further rise in interest rates, and in any case, the figures for July and the rumoured figures for August suggest that the traditional methods do not work in present circumstances.

The evidence from the economy is only too clear. Closure follows closure, the figures for industrial liquidity portray a squeeze on manufacturing cash flow without any precedent, and the profit figures show that even strong innovative companies like ICI, and apparently sheltered industries such as food processing, are caught in the vice.

Large buyers

The financial figures are somewhat harder to interpret, but contain more than adequate texts for those who want to question existing policies. The balance of payments figures are

AN enormous sneeze by Saudi Arabia is still capable of infecting the whole world with pneumonia. The country's leadership never boasts about the virulent potential that it derives from possession of one-third or more of global oil reserves and a similar proportion of the production capacity of the Organisation of Petroleum Exporting Countries.

However, as Sheikh Ahmed Zaki Yamani casually pointed out recently: "We can immediately reduce our production to 5m barrels a day and keep that oil in the ground and raise our prices to, let us say, \$50-\$60 a barrel."

Thus any Saudi decision on production, like the cut now in prospect for the last quarter, is a significant development. Wielding a power almost grossly disproportionate to the vulnerability of the country and the paucity of its population, the kingdom can decree whether there is a surplus or a shortage of oil on the world market.

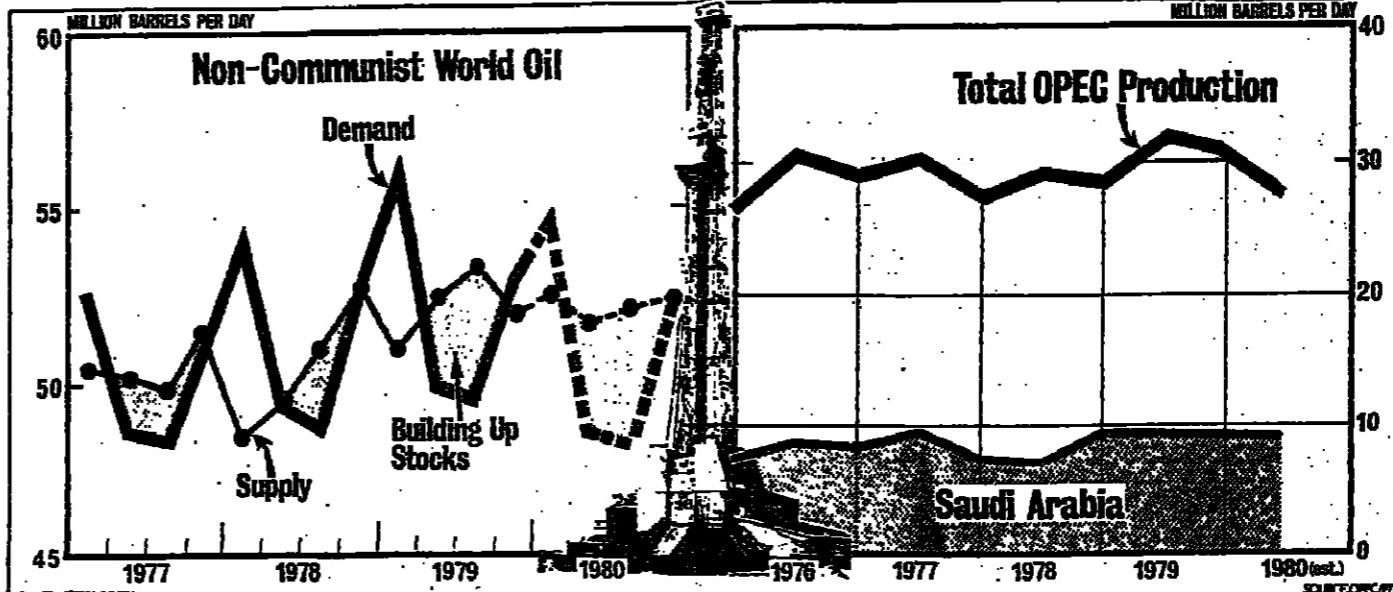
The latest shift in policy illustrates Saudi Arabia's deliberate pursuit of a strategy aimed at two related but conflicting objectives—a halt to the escalation in prices in the 18 months up until July, when average official selling rates rose two and a half times, and the realignment of OPEC rates under a rational system.

The realignment of rates—a \$32-per-barrel reference price seems most likely—is a precondition for the permanent indexation of oil prices which OPEC is now considering. It will be discussed further at a special conference which starts in Vienna on September 15. If agreed, it would have profound implications for the industrialised world because it would mean a new situation in which

oil prices rose automatically—but at least with a degree of predictability—in line with indexes covering inflation, currency fluctuations and the growth of industrialised countries.

The strategy report to be considered by the conference also suggests that it should be possible to "administer" prices by adjusting output. Moreover, the Saudis are now closer to agreeing to the idea of production control than at any time in the past. Indeed, the indications are that they will participate in a co-ordinated OPEC programme if all the other members agree to abide by a relatively moderate automatic pricing mechanism.

The balance between oil supply and demand is a very fine one, a fact in no way disguised by a temporary "glut" this summer, tumbling prices on the marginal spot market, and the shaving of a few pence from



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The balance between oil supply and demand is a very fine one, a fact in no way disguised by a temporary "glut" this summer, tumbling prices on the marginal spot market, and the shaving of a few pence from

a gallon of petrol. The build-up of stocks on the market to a volume calculated at 5m barrels has very much been Saudi Arabia's doing.

First, it raised its upper limit for production from 8.5m b/d, which remains the "official ceiling," following the cut-off of shipments from Iran in the autumn of 1978 and the drastic shortfall following the overthrow of the Shah. Until now it has maintained the higher rate.

Second, the kingdom has consistently set lower prices since other members of OPEC began in February 1979 to raise their rates in a disorderly scramble. There was only a brief respite from this leapfrogging in the third quarter of last year, and there has been another lull over the past two months following the OPEC conference in Algiers when members edged towards compromise on price reindexation.

Currently, Saudi Arabia

charges \$28 a barrel for its standard light grade of crude compared with the equivalent of \$32 set by other Gulf members of OPEC with the exception of the United Arab Emirates, which is somewhere in between, and Iran, which has effectively priced itself out of the market for the time being.

The discrepancy has been sufficient to ensure that Saudi oil this year has run at 9.5m b/d, at the maximum permitted level.

In the 1974-77 period, however, Saudi Arabia suffered grave strains as a result of its policy of restraint, which aroused the hostility of Arab members of OPEC and Iran, especially in the first half of 1977 when Saudi Arabia and the United Arab Emirates set a lower price than other members. The subsequent 18-month freeze was made possible through a tacit understanding with Iran as much as by market conditions.

Domestic, as well as political, constraints on Saudi Arabia's theoretical capacity to curb oil

prices drastically are now probably greater than ever. At home the influential voices of several ministers have argued against producing substantially more oil than required for expenditure needs. They have grown stronger with the general trend towards conservation within OPEC and the regime's recognition of the desirable limits to rapid development for political and social reasons.

The leadership is as sensitive as in 1973 to charges of Saudi Arabia being too amenable to the West and particularly the U.S. which has failed and shown a lack of will in Arab eyes to deliver—or more precisely exact from Israel—a peace settlement in the Middle East involving withdrawal from occupied territories and establishment of a Palestinian territorial entity.

In this context Crown Prince Fahd's statement three weeks ago could be seen as ominously significant. Dismissing the possibility of peace as an "exercise in fantasy," he called for a closing of Arab ranks—*"an implicit invitation to Egypt to return to the fold and to irad, now Saudi Arabia's close ally, to mend its differences with Syria"*—and asked whether the time had not come for the launching of a "holy war."

Now, as in 1973, Saudi Arabia is anxious to keep oil separate from politics. Yet the Palestinians will be the first to see Crown Prince Fahd's stern commitment. Pressure on Saudi Arabia to use force in the Arab cause seems bound to grow. At the very least its own will to temper OPEC militancy can only be reduced by the Middle East deadlock.

Richard Johns

and how it affects the majors

IT WAS one of the greatest commercial coups in the history of the oil industry. In August 1933 King Ibn Saud, the warrior ruler from the desert who had forged Saudi Arabia into a unified state, granted Standard Oil of California (Socal) an exclusive, 60-year concession to oil.

Finally, the technical critics

argue that there is indeed a problem of monetary control,

but that it can only be solved by a new approach. The Government's present advisers have had their own credit severely dented by recent events, so innovations will now be possible, according to the commentator's taste. Again, the answers do not involve a renewal of the traditional squeeze.

Thus began Aramco, the Arabian American Oil Company, which was to grow into the world's largest oil producing company, exert a major influence on U.S. relations with the Middle East and provide a vital flow of crude to its four eventual American partners—Socal, Texaco, Exxon and Mobil.

An era in the company's history—and that of the oil industry generally—came to an end this week with the disclosure that the Saudi Government has finally acquired 100 per cent of Aramco's shares from the four U.S. companies.

A final instalment of the estimated \$1.5bn compensation due to the majors for their remaining 40 per cent stake was paid last spring.

The development is no surprise, since the Saudi Government and the Aramco partners agreed in principle as long ago as 1974 on an eventual 100 per cent Saudi takeover.

Whatever the technical explanation, the market's general feeling about the situation are probably right:

the Government's existing policy has produced sufficient pain in the real economy to satisfy the most determined disciplinarian, and the thrust of policy will now change. Whether this involves new methods of Government finance, a carefully concealed U-turn, or simply a short wait before the money figures confirm the Government's victory over credit-inflation, remains to be seen.

But the takeover underlines afresh the dramatic erosion of the once dominant position of the major international oil companies over the past 10 years in states belonging to the Organisation of Petroleum Exporting Countries.

One of the most important questions facing the industry over the coming decade is the extent to which OPEC will further reduce the power of the majors—Exxon, Royal Dutch/Shell, Gulf, Mobil, Socal, Texaco and BP.

During the past 10 years their concessions in the OPEC states have either been nationalised outright or partially taken over by the state. The result has been that whereas the majors owned 61 per cent of the non-communist world's crude in 1970, with 33 per cent belonging to other private companies and just 6 per cent to producer governments, by 1979 the majors' share was down to 25 per cent, while governments' ownership was up to 55 per cent.

The supply scare which followed the 1973-79 Iranian revolution enabled the OPEC states to cut their dependence on the majors as buyers, turning instead to smaller companies or selling directly to the

agents of other states in so-called "government to government" deals.

Shell estimates that since the Iranian revolution up to 3m b/d of oil—equivalent to more than 15 per cent of the major's pre-upheaval purchases from OPEC members—has been switched away from the large companies.

The majors have had, in their turn, sharply to curtail their sales to third-party customers and, notably, BP, have been forced into the volatile spot market to meet their crude requirements.

The Western companies complain that this new OPEC shift is bad not only for them, but for the operations of the oil market generally—making it less easy for the world to adjust to fluctuating supply and demand and thereby exerting an upward pressure on prices.

Flexibility upstream—in oil production—has been replaced by a need for flexibility downstream, in increased storage of crude and oil products, making for higher capital costs.

The current oil glut is not likely to allow the majors to recoup much of the ground they have lost. The oil supply position remains so uncertain that all purchasers are reluctant to prejudice their supply contracts

with the producer countries.

The multinationals which have fared best in this new environment have been the Aramco partners, with large and assured supplies of oil from Saudi Arabia—for a long time at prices set by the Government below those of comparative crudes from other countries.

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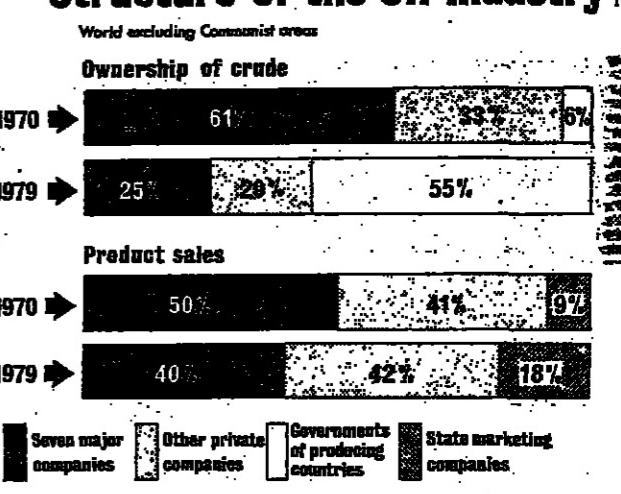
The main practical effect on the companies of the new arrangements is likely to be on their access to Saudi crude. Although final terms have yet to be agreed and the takeover deal may not even be signed this year, there are indications that supplies to the four Aramco partners could eventually be cut from about 6.9m b/d to as little as 4.5m b/d.

But the 100 per cent Saudi takeover of Aramco will not sever the four U.S. companies' strong links with the kingdom. Production arrangements will continue much as before, with the majors operating under management service contracts.

When the Saudi takeover was originally agreed, the Aramco partners expected that they would have access to around 7m barrels a day. But since then there has been a substantial increase in crude sales by Petromin, the Saudi national oil company.

new investors in its ambitious refineries and petrochemicals projects and by the oil needed as feedstock.

Structure of the Oil Industry



Petromin's direct crude oil sales, much of it in government-to-government deals, have risen from 550,000 b/d in 1978 to 1.4m b/d now and it is lifting a further 170,000 b/d for processing deals abroad and 700,000 b/d for domestic refining, bringing total sales to more than 3m b/d.

With Saudi production currently running at 9.5m b/d, this leaves around 7m b/d for the Aramco partners.

A Saudi decision to reduce production to 8.5m b/d will cut into the majors' take. This will be further reduced by the incentive payments in crude which the Government is offering to

future suppliers," according to Mr. John Lichthorn of the New York-based Petroleum Industry Research Foundation.

Martin Dickson

Letters to the Editor

Refutation

From Mr. R. Musgrave

Sir.—Anatole Kaletsky (September 1) suggests that subsidies for some lame ducks are justified given the current unemployment levels. He is mistaken:

As he points out, subsidising lame ducks will not influence employment levels "when the country's output is constrained by its supply of labour," that is when unemployment is at or below what monetarists call its natural level. We currently have a monetarist inclined Government, which presumably thinks the natural level is somewhere near 2m. If the Government is right, then subsidies for lame ducks are futile and for the above mentioned reasons which Mr. Kaletsky himself eloquently sets out.

Alternatively the natural level may be nowhere near 2m. If this is what Mr. Kaletsky is suggesting (and I would agree with him) then retrenchment is called for, not lame duck subsidies. Indeed the latter will not even work except in as far as they constitute additional aggregate expenditure. In other words lame duck subsidies are a useless irrelevance so far as dealing with unemployment goes.

R. S. Musgrave,
24, Garden Avenue,
Framwellgate Moor, Durham.

Tax

From Mr. W. Grey

Sir.—Like Dr. Beryl Foyle (September 3), I too have long advocated a payroll tax, albeit for different reasons and on somewhat different lines.

We already have a payroll tax in all but name in the national insurance contributions levied on both employers and workers as well as the self-employed. If we need this tax, as evidently we do (although there are some who, in the present circumstances, would like to see it reduced), two or perhaps even three refinements, apart from the change in nomenclature, might be suggested.

In place of the present flat-rate system, the tax should be varied regionally, so that it is lower in areas of above-average unemployment than in the lucky

ones where the opposite is the case. This seems obvious enough, and should present no insurmountable administrative problems. Indeed, in proper hands, such a tax could be a very sensible as well as sensible instrument in all sorts of ways.

For good measure, however, its basic rate (applicable, of course, to regions of average unemployment, if there are any) could, secondly, also be varied over time inversely with the underlying unemployment rate in the country generally. Again, while this would encourage labour saving at times (as well as in areas) of low unemployment, it would assist the preservation of jobs when (and where) the labour market goes difficult.

This is bound to be more controversial, the tax could also be varied in direct, not inverse, proportion to the extent that pay rises exceed—fall short of—given norm, whether this be the going or expected rate of inflation or increase in nominal gross domestic product or past productivity gains or workers' share in their companies' added value or whatever. Now that really could be something!

W. Grey.

12, Arden Road, Finchley, N3.

Energy

From Mr. J. Urquhart

Sir.—It has been said that the cost of spectacles is high. In fact spectacles have never been cheaper. Correctly prescribed single sight spectacles can be obtained for £7.64 and bifocals for £12.64 and these are quite adequate for most people's needs.

The high cost is not involved until fashion frames are chosen; and when was fashion value for money? Frames designed by international fashion houses are mostly way-out shapes and sizes and so become an optician's nightmare. Extra charges for oversize lenses, eccentric shaping, etc., have to be added to the cost of an already expensive frame. Much more work is involved because no matter the size or shape, centration has to be correct or else the spectacles cannot be worn.

There is no need for anyone to pay these high prices unless it is not be done more satisfac-

tory with much lower interest rates as a result of the strength of sterling and the balance of payments?

Peter R. Nut

ACTORS' STRIKE STRETCHES TO 49 DAYS • BY PAUL BETTS

Electronic genie that upset Hollywood

month.

THE BEST show in Hollywood is currently running in a hot sticky cigar-smoke filled room above a west Hollywood drugstore. For the past 15 days actors and producers have been battling inside the American Motion Picture Association's headquarters under the gaze of a Federal Government mediator to end a 49-day strike that threatens to bring the multi-million dollar Hollywood entertainment business to its knees.

"So far no settlement seems in sight," Mr. Philip Myers of Twentieth Century Fox, on Thursday described the outlook as "very bleak." Ms. Kim Feller, of the Screen Actors Guild (SAG), the actors union, remarked glumly: "we are very stuck." And Ms. Loretta Swit—

"Hollis," the disaster-prone shapely lady soldier in the popular MASH TV comedy series—said from her Hollywood home on Thursday night we've made as many concessions as we can."

The dispute is not only about pay. It also involves the implications for actors and technicians of the new electronic software that is changing the face of home entertainment.

Videocassettes, cable television and videodiscs are altering the whole shape of the business, and the people who actually create the programmes that are used on them want a share in the profits. It will doubtless not be long before echoes of this dispute are heard in Europe as well.

Like the rest of the 60,000 American actors on strike, Ms. Swit could still be out of a job for sometime. "It's been quite devastating. Financially and otherwise. You see I'm sort of a workaholic." She was playing "Hollis" when the strike was called at midnight on July 20. "We had almost completed one of the 25 episodes for the new MASH series." She was also to work on another television film last

month. Since the strike began, Ms. Swit has been joining the pickets outside the big Hollywood studios and is now organizing the boycott of the Emmy television awards—the TV equivalent of Oscars and Academy Awards and a set piece of contemporary America—to be broadcast live throughout the nation tomorrow.

According to the MASH star, the current strike "is a very important period in the life of an artist. It is very crucial." But when it first began it was regarded in the country at large as something of a huge joke. Tourists and autograph hunters flocked to the studio gates to see their favourite actors walking the picket lines.

Demonstrators spread elsewhere and at one in New York famous faces marched to the tune of "There's No Business Like Show Business." It made the headlines briefly and featured in cartoons and bar talk.

But as the first round of talks between the industry and the actors broke down and the effects of the dispute started working themselves through the entertainment business, the mood changed.

The strike is now costing Hollywood in lost wages and income from goods and services between \$50m and \$60m a week. Production has been suspended on 20 feature films and more than 40 prime time television series.

The big studios have been laying off thousands of people. According to one estimate, as many as 40,000 non-actors—including writers, directors, film editors, canteen and bar workers, carpenters, secretaries and teamsters—have either lost their jobs or have been put on part time.

It is causing havoc in the three big national TV networks—ABC, CBS and NBC. They



Loretta Swit (in hat) in a singing picketline outside Walt Disney Studios last month

plans for the new autumn season at a time when the traditional ratings war between them heats up.

The strike is still solid because those involved fully understand the long term principles involved. Although the actors' three-year contract is up for renewal and SAG has put in for a 35 per cent increase in minimum wages, the battle involves the far more crucial question of the emergence of a wholly new part of the film and television industry. The actors are demanding a share of the profits of this fast expanding and potentially

highly lucrative market, which is made up of video cassettes and videodiscs, pay and cable television.

These new inventions enabled the industry to create new home television outlets which are beginning to challenge the traditional U.S. entertainment industry. The so-called software TV and film business at present accounts for about 5 per cent of the American film industry's annual revenues of some \$3.5bn. By 1985, it is expected to generate on its own annual revenues of as much as \$1bn.

According to Mr. Harold Vogel, a film industry analyst with Merrill Lynch, the largest securities firm in Wall Street, "an electronic genie has been let out of the bottle." He forecasts: "With the advent of satellite cable networks, the market potential is 17m little home video theatres rather than 17,000 big theatres."

The Hollywood studios, the national networks, and certain cable television outlets, have not disguised a desire to control the new TV gadgetry. Indeed, a major confrontation is currently developing between the present leader of the new market, Time Inc.'s "Home Box Office" sub-

sidiary, the Getty Oil Company and the U.S. Justice Department's Anti-Trust Division. It follows proposals by Getty Oil and four leading Hollywood studios—Columbia Pictures, Universal, Paramount and 20th Century Fox—to set up a national pay television network to try to capture the market.

Not surprisingly, the actors also want their share. When the strike began, they demanded 12 per cent of the gross revenues from the sales of productions made for pay TV and videocassettes. The producers immediately closed ranks.

In Mr. Vogel's opinion they had to. It could set an important precedent which would run for the next 25-30 years and you cannot just give away part of the future growth of your business." Moreover, the film companies claimed the actors wanted a slice of the revenues without sharing the production risks.

The actors subsequently scaled down their demand to 6 per cent of the takings. In turn, the producers countered with a 3.6 per cent proposal but hedged this about with a series of conditions which the two actors' union—SAG and the American Federation of Television and Radio Artists—say would make the offer meaningless. "Six is the minimum we can ask," Ms. Swit said.

At this stage at least, the producers appear unlikely to budget. The strike has so far created no large strains on the big studios and distributors. Indeed, Mr. Vogel suggested it could in the short term turn to the advantage of the producers. It may help them reduce their overblown stock of already finished films as TV networks increasingly hire new feature films ready for distribution to fill in their blank slots.

These workers, many of whom belong to more down to earth unions like the Teamsters or the Woodcraft Union, have been taken to picketing but for different reasons. Although they have made many public noises supporting the actors, they have started picketing the Motion Picture Association headquarters where the actors are negotiating with the producers. They want their jobs back and hope to persuade the actors to end their strike while negotiations continue.

For their part, many small independent producers have reached interim agreements with the actors' unions to enable them to continue or resume shooting. SAG claims more than 60 producers of feature films and television programmes have signed such agreements, whereby the independents would meet the terms which are eventually negotiated as a result of the strike.

For the national TV networks, things have been bleak. Their new autumn seasons, which start in about 10 days, have been badly disrupted. They have had to cram some of their prime time with reruns of popular series. Although far less costly, reruns generate substantially less advertising revenue. But perhaps what worries the national networks most of all is the fear that viewers, bored by old programmes and expecting to discover who killed the dreadful J. R. Ewing in the Dallas saga, will be switching off to watch pay and cable TV.

As a result, some actors still feel that SAG and Mr. Reagan, who incidentally served six terms as the Guild's president, were duped and sold out to management. "It will never happen again," a SAG member said.

The real victims of the dis-

Weekend Brief

A woman's place is in the kitchen



Roger Taylor

all male chauvinists are sitting comfortably, then I'll begin for this is a tale of three attractive women—each married, and each the mother of three—who know that their place is firmly in the kitchen, and have thus risen to the top of one of the most notoriously competitive branches of the food business.

They are Vivienne Flower, Jenny Katz and Nita Koppel, and their firm is Katie's Kitchen, registered as Three K's, which from humble origins in 1973 has grown to be the country's leading manufacturer of fresh pizzas.

These are not to be confused with frozen pizzas, where the market leaders include some of the big boys of the food trade, such as Birds Eye, Findus and the like.

There are very few women at the top in food: there are few women buyers, or managers of supermarkets, let alone senior executives in big food companies. Yet Katie's Kitchen, launched with a start-up capital of less than £400, now produces more than 150,000 pizzas a week and has a turnover of £1.5m.

Their first venture was a small bakery at Kingsbury in north-west London, bought to meet the growing demand they had already created for a range of oven-baked quiches, strudel, cheesecake, chocolate cake and cheese waffles which they had previously baked and sold from home.

At Kingsbury they started making pizzas, although in those days, says Jenny Katz, "we used to have to spend ten minutes explaining what pizzas were before we'd get a sale."

Business blossomed. At first, their stamping ground was delicatessens in North London and the Fulham Road. Later they approached the supermarket groups. Still business blossomed, so that by 1974 they had gone sole on pizzas, bidding a reluctant farewell to the rest of the range.

The bakery served them well enough until 1977 when, bursting at the seams, they bought a second plant at Wembley. By now, production was running at 50,000 pizzas a week. Still business grew, so that by the following year they were ready for their first really big investment: a sum of £160,000 spent on a vast converted factory in Wembley, an advanced, semi-automated pizza-making plant from Baker Perkins, the Folio Boys in the pizza-making field—and new packaging lines and labeling machines.

Turnover has doubled in just 17 months, and most of the big supermarket chains now stock their pizzas, which include a Country Pizza with a wholemeal base, and a Super Pizza.

Their secret, they say, is insistence on freshness and natural ingredients: their pizzas leave the factory on the day they are made. It is a three-woman band: Jenny Katz looks after sales; Vivienne Flower after machinery and production

and Nita Koppel handles buying. In all, they employ a staff of 65.

There now, chauvinists. Are you still sitting comfortably?

Pulling the rug from under

Carpet and rug dealers are like economists—they all have different views. Some dealers exhibiting at the recent Overseas Import Fair in Berlin—a yearly showcase for consumer goods from the Third World—said the supply of Afghan carpets had started to dry up since the USSR's invasion at the beginning of the year. Others claimed supplies are just as they have always been.

But the two views may not be wholly contradictory. What seems to have happened is that dealers stocked up before the invasion and are still releasing the goods. At the same time, those who wish to leave Afghanistan can take with them only about \$150 (£22), so they have been smuggling out carpets to turn into cash later.

That has brought more supplies to the market—at least for a moment.

Yet supplies could still be drying up. One dealer noted that many of the high quality pieces came from areas near the Afghan-USSR border, not from factories but from looms in cottages. Many of the weavers have departed, their villages destroyed.

At any rate, a crisis of supply could be developing for the private collector, if he has not been priced out of the market over the past five years. According to one dealer, antique Caucasian style rugs have risen in price by up to 40 per cent this year.

Pointing to an intricately woven piece about three feet long and two feet wide, the dealer said the current price is DM3,500 (£815). Last year it would have been nearer DM2,500.

Even before the invasion, scarcity was pushing prices upwards, but now old carpets—50 years or more—many of which are in the Afghan

ing their way to Kabul en route for the European markets. "The ways are not sure," one Afghan delicately put it.

There is in any case a problem with old rugs and carpets. Shortage has heightened the temptation for more unscrupulous sellers, and, according to the dealers at the Berlin fair, there are places in the UK and West Germany where new pieces are washed, softening the characteristic deep red of the Afghan product, to make them look older.

But if there is any consolation for the potential buyer it is that prices at London auctions may well be cheaper than the prices prevailing in Kabul.

There is in any case a taste of the razzamatazz which accompanies this sort of event was given last week at Sotheby's, where a "celebrity auction" was held to put the first cash in the telethon coffers. Television personality and author Frank Muir presided over the disposal of an odd assortment of offerings, including most famously the stetson hat of Dallas' JR.

The auction raised a total of £15,745, helped along by the urbane efforts of Sotheby's auctioneer Richard Caine, the undisputed "star" of the evening. Under the hammer went the spectacles worn by Clark Kent in the film "Superman" (£45), a jacket belonging to singer Neil Diamond (£130), and a shirt from pop star Debbie Harry (£70).

It was a prolonged evening,

and there were quiet moments in which lots went at prices that looked to the unpractised eye like fair bargains. A place in four rounds of the Bob Hope Palm Springs Golf Classic, with a clutch of grandstand and season tickets plus celebrity dinner, fetched £2,000, some £500 less than its estimated value. A fortnight's luxury holiday for two in Oregon went for a modest £1,250.

The auction room crowd also had some rather unconventional ideas about the value of the art on offer. A custom-written autograph poem by Pam Ayres fetched £165, while the original David Hockney art work for the menu of Langans' Brasserie fetched a mere £220, only £60 more than the price paid for a watercolour by Dirk Bogarde.

It was a technique which has proved hugely successful in the United States, notably the annual telethon hosted in Las Vegas by comedian Jerry Lewis to raise money for muscular dystrophy research. Thames schedules Britain's first such event for October 2 and 3, when in the course of a 24-hour TV marathon, which takes over the Thames channel completely, cash will be raised for a variety of children's causes.

The Thames Telethon will include 15 hours of live entertainment from the Wembley Conference Centre, where assembled celebrities including Rolf Harris, Joan Shenton and Jimmy Young will supervise the task of coaxing money out of their audience's pockets.

Advent of the telethon

One of the few aspects of American television with which British viewers are not yet intimately familiar is to be introduced to our screens next month by Thames Television. The "telethon" is a method of fund-raising for charity by means of a television spectacular of inordinate length, during which viewers are encouraged to telephone the studio to pledge donations, sponsoring elements of the entertainment.

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With more than 1000 branches, offices and agencies in Canada and 45 other countries, Scotiabank is very much a world bank.

TODAY: U.S. and Japanese negotiators meet in Washington on Government contracts.

TOMORROW: Liberal Party assembly opens, Blackpool (to September 13).

TUESDAY: UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-August). London clearing banks' monthly statement (mid-August). Central Government transactions (including borrowing requirement) (August).

MONDAY: Department of Trade publishes details of hire purchase and other instalment credit business (July) and gives July final figures for retail sales.

Wholesale price index numbers (August provisional) from Department of Industry. Ergonomics and Transport conference opens, Swansea (to September 12).

Centre for Policy Studies statement on pensions and index linking.

WEDNESDAY: Canadian political

leaders meet to discuss constitution, Ottawa (to September 12).

TUESDAY: UK banks' eligible liabilities, reserve assets, reserve ratios and special deposits (mid-August). London clearing banks' monthly statement (mid-August). Central Government transactions (including borrowing requirement) (August).

Housing starts and completions (July). Society of Motor Manufacturers and Traders and Japanese Automobile Manufacturers Association start two days of talks in Tokyo on economic outlook.

WEDNESDAY: Department of

Economic Diary

the Environment publishes second quarter figures of construction output. Mrs. Margaret Thatcher attends first annual dinner on *Now!* magazine.

Energy ministers of Mexico, Argentina, Brazil, Venezuela, Colombia, Ecuador, Dominican Republic and Costa Rica start two-day meeting in Caracas to discuss an inter-American energy co-operation programme.

THURSDAY: Sir Geoffrey Howe, Chancellor of the Exchequer, speaks at Association of Metropolitan Authorities conference, Manchester. Sir Peter Masefield, president elect, opens the Inter-

national Federation of Airworthiness annual conference, London (to September 13).

FRIDAY: Department of Employment publishes the retail prices index for August. Central Statistical Office issues the tax and price for index for August.

publishes the 1980 edition of the Blue Book on National Income and Expenditure. Usable steel production figures for August. Mr. Peter Walker, Agriculture Minister, visits Venezuela.

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And we're a large one at that: our assets exceed C\$40 billions.

Since 1889, when our international banking began, we've grown into the modern global network we are today. In fact, we've opened in 17 countries in the past 5 years alone.

Thames is keeping an open mind on how much its efforts may finally raise. "The sky," Joan Shenton told the Sotheby's audience, "is the limit." The only comparable British promotion has been on commercial radio, where Capital Radio's Help A London Child appeal raised over £100,000 this year. The telethon proceeds will be administered by the Thames Help Trust, chaired by WRVS chairman Lady Pike.

Scotiabank's experience can be invaluable when you need

A. Stanley profits drop 35% to £0.8m midway

TAXABLE profits of A. G. Stanley, home decorating materials group, dropped by 35 per cent from £1.24m to £808,122 for the six months ended June 28, 1980. Turnover went ahead to £23.91m, the comparative total of £15.33m excluding any contribution from Morris and Blakey, acquired in August, 1979.

Mr. Malcolm Stanley, chairman, blames other traders who experienced trading problems and started to de-stock with "irresponsible price cutting" of branded paints.

He says the group had no alternative but to react to these prices.

"The second quarter is a peak period for paint sales and this together with the greatly reduced profit margin on these products is the sole reason for our shortfall in profits," he states.

Sales in the first two months of the second half have been satisfactory and the group is attaining its sales budget which makes full allowance for current inflation, the chairman says.

He adds that running costs have been well contained, as a percentage of sales, and that stores opened and refitted during this period are trading successfully.

Profits for the whole of 1979 were £2.6m.

Profits for the six months were struck after much higher depreciation of £688,684 against £298,672, and interest this time, of £63,873, and were subject to tax of £232,000 compared with £398,500.

The interim dividend is maintained at 1p net per 5p share, absorbing £201,070 (£199,560)—last year's final payment was 1.5p.

Mr. Stanley says that in many respects the half year was extremely satisfactory. Group volumes were good and its market share was increased, and overheads were well contained as

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre. div.	Total spending for last year	Total
Abbey Panels	int. 1.3	Sept. 26	1.3	—	2.8
Derek Crouch	int. 1.63	Oct. 31	1.48	—	4.59
David Dixon (Leeds) ..	Nill	—	9.6	Nill	9.6
Esperanza	4.2	Oct. 28	4.2	6.7	6.4
Home Cnties News int.	1.75	Oct. 27	2	—	6.5
House Prop. Co. Len. int.	1	Oct. 15	—	4.5	4.5
Myson Group	int. 1	—	1.5	—	3.8
Raybeck	3.17	Oct. 15	2.87	4.3	4
A. G. Stanley int. 1	1	Oct. 23	1	—	2.5
Surma Valley	2.25	—	3.5	2.25	3.5

Dividends shown pence per share net except where otherwise stated. Equivalent after allowing for scrip issue. ^t On capital increased by rights and/or acquisition issues. ^t Subject to receipt of funds from Bangladesh.

a percentage of turnover. "And our stores found a greater acceptance with the public."

The purchase of a wallpaper mill, in August, at Holmes Chapel for £1.4m cash, to ensure continuity of supplies, flexibility and control of design and colour, will be of great benefit to the group, it states. But not significant contribution is anticipated from this operation during the current year.

Lex. Back Page

Surmah Tea falls and cuts payout

TAXABLE PROFITS of Surmah Tea Company fell from £159,531 to £73,026 in 1979, on lower turnover of £704,113 against £847,178.

The annual dividend is reduced to 2.25p (3.5p) net and is subject to the receipt of funds from Bangladesh.

Earnings, after tax of £22,885 (£89,294), are shown as 6.27p (8.78p) per share.

Myson slumps into losses at midway: warns on second half

A SEVERE fall off in demand in the second quarter has significantly affected the performance of the Myson Group and for the first half of 1980, losses of £236,238 have been incurred against profits of £1.13m in the same period last year.

Current high interest rates, strong sterling and under-utilisation of manufacturing facilities will affect second half results and the directors are not optimistic about the full year outcome.

The interim dividend is cut from 1.5p to 1p per 10p share—the previous total was 3.5p when pre-tax profits were £2.1m.

Turnover of the group, heating, air conditioning and heat transfer equipment manufacturer, Myson, built up stocks by 33 per cent to £20.1m at the end of 1979. Then, based on strong demand in the first quarter, it ordered imported

point in demand, caused primarily by severe destocking in the UK residential heating market, has been passed and there has been a gradual recovery to more reasonable sales levels.

An early fall in interest rates coupled with a greater use of a manufacturing capacity in a traditionally strong sales period would materially affect the year's results, the directors add.

In anticipation of the steel strike and higher turnover this year, central heating equipment manufacturers, Myson, built up stocks by 33 per cent to £20.1m at the end of 1979. Then, based on strong demand in the first quarter, it ordered imported

steel which arrived in the second quarter when demand collapsed. The already highly geared group—borrowings stood at 84 per cent of shareholders' funds at the end of 1979—thus faced still higher interest charges that pushed the interim pre-tax result on roughly similar turnover from £1.13m profit to a £236,000 loss. A high depreciation charge, £0.8m in the whole of 1979—means the group can still pay its bills from cash flow and even a minor improvement in sales in the second half could bring the company back into profit. The group clearly needs to expand its equity base but the shares, at 53p, down 5p yesterday, are so far below net asset value of about 140p that the balance sheet is unlikely to improve much in the near term.

• comment

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pre-tax profits were £2.1m.

Even BTR cannot row against

the current of recession and analysts expect that demand will be a better moment later in the year when the group's strong profit performance will stand out more prominently against the bleak norm for British manufacturing companies.

Despite the new chairman's warning that 1980 would be a difficult year, BICC is expected by analysts to show some improvement over the £27.9m pre-tax profit earned in the first half last year when it publishes its interim figures on Tuesday. The range is from £31m to £36m.

Metal Manufacturers in Australia has continued to do well and BICC Cables should show further benefits from rationalisation. Labour disputes hurt the industrial products division last year and so some improvement is expected there while Balfour Beatty should be well ahead.

The interim dividend might be raised by 10 per cent to about 3p net.

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Metal Manufacturers in Australia has continued to do well and BICC Cables should

Companies and Markets

WORLD STOCK MARKETS

NEW YORK

Stock	Sept. 4	Sept. 5	Stock	Sept. 4	Sept. 5	Stock	Sept. 4	Sept. 5	Stock	Sept. 4	Sept. 5	Stock	Sept. 4	Sept. 5	Stock	Sept. 4	Sept. 5	Stock	Sept. 4	Sept. 5		
ACF Industries	382	393	Columbia Gas	388	389	GT. Am. Pac. Tea	84	74	Mass. Petroleum	55	56	Schultz Brew. J.	82	82								
Aero. Int'l.	213	214	Comcast	374	375	MGM	71	71	Schlumberger	138	140	Siemens	313	313								
ASA	654	618	Combust. Edison	91	93	Metromedia	91	90	SCM	51	51	Siemens	132	132								
AVX Corp.	244	245	Conn. Satellite	384	385	Milt. Bradley	54	54	Scott Paper	125	125	Siemens	274	274								
Abbotts Lab's	494	495	GIG	15	15	Minnesota Min.	147	153	Seabrd Coast L.	48	49	Siemens	493	493								
Acme Gove.	302	304	Globe Ind'l.	42	43	Mo. Financ.	211	204	Sealed Power	23	23	Siemens	583	583								
Aetna Life & Gas	364	374	Hanniball	42	42	Mo. Min.	147	153	Seabrd Coast L.	27	27	Siemens	583	583								
Ahmanson (H.F.)	475	476	Hammill	41	41	Mo. Min.	147	153	Seabrd Coast L.	27	27	Siemens	583	583								
Air Prod & Chem.	124	124	Handleman	42	42	Mo. Min.	147	153	Seabrd Coast L.	27	27	Siemens	583	583								
Alcoa	531	532	Hansens	22	22	Harcourt Brace	242	242	Seabrd Coast L.	27	27	Siemens	583	583								
Alzona	124	124	Hart	19	19	Harsco	224	225	Seabrd Coast L.	27	27	Siemens	583	583								
Albany	51	51	Hart	20	20	Harris Ranch	18	18	Seabrd Coast L.	27	27	Siemens	583	583								
Albertson's	224	225	Hart	21	21	Harris Corp.	423	424	Seabrd Coast L.	27	27	Siemens	583	583								
Alcan Aluminum	531	537	Hart	45	45	Harsco	43	43	Seabrd Coast L.	27	27	Siemens	583	583								
Alco Standard	324	325	Hart	45	45	Hatch	42	42	Seabrd Coast L.	27	27	Siemens	583	583								
Alegheny Ludlum	541	545	Hart	45	45	Hatch	42	42	Seabrd Coast L.	27	27	Siemens	583	583								
Allied Chemicals	411	412	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Alpha Chai'nrs.	324	324	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Alpha Port'd.	154	154	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Alteo	691	694	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Alma Sugar	432	432	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Almax	212	212	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Almonds Hale	322	323	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Airlines	841	841	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Brands	514	514	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Broadcasts	841	841	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Can.	475	476	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Elect. Power	124	124	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Express	374	375	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Gen. Insns.	374	375	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Home Insns.	374	375	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Hosp. Prod's.	412	412	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Medical Int'l.	511	511	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Motors	424	424	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Petrol. Prods.	507	507	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Perfina	507	507	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Quazar	341	341	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Standard	661	661	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Stores	321	321	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Am. Tel. & Tel.	321	321	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Amfam	321	321	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
AMP	292	292	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Amoco	474	475	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Amoco	474	475	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Amoco	474	475	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Amoco	474	475	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Amoco	474	475	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								
Amoco	474	475	Hart	45	45	Hawthorne	204	204	Seabrd Coast L.	27	27	Siemens	583	583								

Companies and Markets

Atlas Copco buys W. German plant

By William Delforce, Stockholm

Hongkong Land in deal with Jardine Matheson

By PHILIP BOWRING IN HONG KONG

HONGKONG LAND and Jardine Matheson are engaging in a share and asset swap, in which Jardine will sell to the Saarbrucken plant of the West German company Klein, Schanzlin and Becker (KSB) (U.S.\$245m) in exchange for 64.48 new Land ordinary shares or HK\$55 each.

The assets to be acquired by Land include the 50 per cent of the World Trade Centre in Hong Kong which it does not already own, valued at HK\$805m, 33m Wheeled Marden "A" shares representing 11.8 per cent of the company and worth approximately HK\$185m, a 388,000 square foot office block in Sydney valued at HK\$387m and additional stakes in the Mandarin Hotels in Manila and

the new companies, together with the research and development already carried out by Atlas Copco's airpower division at centres in Sweden and Switzerland make up "a significant store of know-how regarding the compressor needs of the process industry," the Swedish company said.

Atlas Copco has so far specialised in air compressors. The acquisition of KSB's compressor operations underlines its ambition to expand into the heavier gas compressor field. Last month, Atlas Copco, which markets over 90 per cent of its products outside Sweden, reported a 40 per cent growth in first half earnings to SKr-25m (\$55m) on a SKr-2.0bn turnover.

Incentive takes a knock

INCENTIVE, the Swedish investment company which controls about 15 small engineering and other businesses, reports first half earnings of SKr-43m (\$10.4m), down by SKr-4m, on sales of SKr-1.57bn (\$376m).

The First Viking Commodity Trusts**Commodity OFFER 31.7 TRUST BID 30.1**

Commodity & General Management Ltd
10-12 St George's Street
Douglas Isle of Man
Tel: 0624 25015

COMMODITIES/REVIEW OF THE WEEK**Copper up despite peace move**

By OUR COMMODITIES STAFF

COPPER PRICES moved ahead this week on the London Metal Exchange despite a threatened strike on the Zambian copper belt being averted, and further moves to end the nine-week old stoppage in the U.S. copper industry. Cash wirebars closed last night £12 up on the week at £841 a tonne.

The U.S. copper workers union coalition endorsed the agreement reached with Kennecott and a return to work is only being held up while "local" (iron-wage) issues are settled. Talks between Anaconda and the strikers ended in disagreement, but the Kennecott deal is expected to set the

pattern for a general settlement.

Zambian copper workers accepted the promise of a review into employment conditions, sweetened by an increase in wages.

Although these developments should bring an even greater supply of copper at a time when warehouse stocks are already rising, the market was more influenced by the rise in the gold market and hopes that the worst of the U.S. recession is now over.

Optimism that demand for metals generally starting to improve was encouraged by the fact that the South African platinum producers decided to

raise their official producer prices from \$420 to \$475 (\$202) a troy ounce. This is still well within the free market platinum price, which gained \$0.30 to \$281.15 (\$679) this week but suggests the producers are confident they will not lose further sales by raising prices.

Speculative buying interest too appears to be reviving somewhat in metals encouraged by fears of renewed inflation in the U.S. as interest rates start to rise again and the dollar comes under renewed pressure. Another reason is the dull performance of the "soft" commodity markets which suffered from a quiet period.

Cocoa and coffee prices slipped to long time lows this week as physical demand continued very weak. But both made up a little ground yesterday.

General selling encouraged by the strength of sterling pushed the December cocoa price on the London futures market down to a four-year low of \$683.5 a tonne at one stage, but after an \$8.5 rise yesterday it finished the week only \$2.5 down on balance at \$677 a tonne.

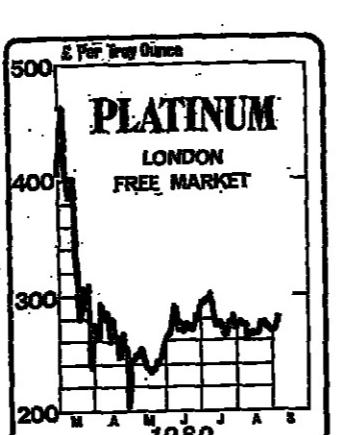
Dealers commented that there was too much cocoa around while demand was continuing at a very low ebb. Forecasts of a bigger Ivory Coast crop this year also depressed the market, they added.

Meanwhile coffee slipped to £1.07 a tonne, its lowest level for nearly four years, before recovering somewhat to end the week £1 down at £1.03.5 a tonne. As with cocoa dealers put the fall down mainly to slack demand.

News that the U.S. Food and Drug Administration had warned pregnant women against consuming too much caffeine, which is contained in coffee and tea, was not thought to have influenced the market.

Sugar values also continued their recent fall with the January position on the London futures market ending £7.75 down on the week at £334.5 a tonne. Earlier it had fallen to £328.75 a tonne.

More hopeful indications for the European sugar beet crop following the recent improved weather were thought to have encouraged the decline.

**MARKET REPORTS BASE METALS**

COPPER-Minutely lower on the London Metal Exchange with the market sustained by the further rise in precious metals. After opening £860 three months moved up to £865 but ran into trade resistance which forced it back to £850 in the afternoon. Thereafter the price staged a recovery and moved up to £862 prior to closing the late kerb at £861.5. Turnover 16,125 tonnes.

WIRABARS-£1.00 up to £1.01.50. Three months £854.5 +3.25 861.2 +3.25

CASH-£0.5 +5.5 810.8 +4.5

3 months £827.9 +6.7 834.6 +4.5

Settlement £805 +7 820.5 +4.5

LEAD-£0.5 +1.5 287.45 +1.5

3 months £29.95 +2.75 32.47 +2.75

Cash-£0.5 +1.5 285.85 +1.5

Settlement £283.5 +1.5 305.5 +1.5

WIREBARS-£0.5 +1.5 287.45 +1.5

CASH-£0.5 +1.5 285.85 +1.5

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3

LONDON STOCK EXCHANGE

New upsurge in Gilts sees tap stock re-activated £4 under issue price—Oils feature along with Golds

First Last For
Deal Deal- Declar- Settle-
Deals ings ment
Aug. 18 Sept. 5 Nov. 20 Dec. 1
Sept. 18 Sept. 12 Dec. 4 Dec. 15
Sept. 22 Oct. 3 Dec. 18 Dec. 29

For rate indications see end of
Share Information Service

A strong and extremely active gilt-edged sector was the dominant feature of London stock markets yesterday. Insurance and other institutions committed large funds to Gilts, possibly on the view that recent pessimism about the August banking statistics, due next Tuesday, may have been overdone. In order to relieve an acute stock shortage, the authorities reactivated the partly-paid medium tap, Treasury 11½ per cent 1981 A, at 46, or 4 points below its issue price of July 23 and 4½ points down on the last operational level on the same day.

The weight of demand enabled the Government brokers to sell further supplies of 46½ and speculate on a rise about the stock's imminent exhaustion. This was not achieved yesterday and on attempted heavy switching from Treasury 13 per cent 2000 to the tap, the advance lost impetus. News of Citibank's Prime rate increase to 13 per cent aided the reaction and gains stretching to some 14 points were halved; subsequently, the absence of an announcement of a new long tap stock, the subject of much debate earlier, sent prices higher again in close around 11 points up. Short-dated issues became less of

a force after figuring prominently in interim results. Sun Alliance put on 6 making a gain on the week of 30 at 77½p. General Accident closed 4 better at 340p; the price in yesterday's issue was unchanged. Elsewhere, Prudential softened a couple of pence to 236p; the first-half results are due next Thursday.

Arthur Lewis continued firmly among merchant banks, rising 7 more to 217p. Guinness Peat put on 4 to 140 ahead of next Thursday's preliminary results. Elsewhere, sporadic offerings ahead of Tuesday's interim statement slipped 7 from Standard Chartered to 558p.

The majority of movements in the Building sector were usually limited to a few pence either way. Fresh scattered support lifted Taylor Woodrow 4 more to 282p, while comment on half-yearly figures helped Costain improve 2 to 186p. Fresh support left Aberdeen Construction 3 to the good at 137p, while Y. J. Lovell, a firm market recently on Press mention, hardened a similar amount to 141p.

Among Chemicals, ICI unaltered at 362p, after 366p, failed to participate in the firm trend in the leaders. Thurgar Davies closed a shade dearer at 13½ following the increased interim profits.

Cornell jump

Special situations dominated secondary Stores. Cornelia Dresses jumped 26 to 52p following the approach from Azaria Investments, a private Jersey-registered concern. Recent speculative favourite H. Goldman ran into profit-taking after an adverse Press mention and eased 3 to 29p, still 8 higher on the week. A. Stanley dipped 7 to 62p on interim profits well short of market estimates; other D-I-Y issues trended lower overnight.

Harris Queensway, 162p, reverted to unchanged, having been 166p earlier, while Home Charm finished 3 lower on balance at 102p, after 107p.

Waring and Gillow were unchanged at 110p; recent references here to preliminary results being due yesterday were in error, the figures having been announced last month. Raybeck announced lower annual earnings, but the raised dividend and the chairman's confidence helped buyers and put on 6 to 94p, while Hunting Associated rose 15 to 350p on buying in a thin market. Share-slumping hopes continued to bolster De La Rue, a further 10 dearer at 85p and, favourable comment ahead of Monday's interim statement helped BTR harden 3 to 381p. Central Manufacturing and Trading also benefited from comment and calls were arranged in Dunlop, Benlow, Lourho, Endeavour and STC.

FT-Actuaries

For August 5 to September 3 inclusive, the index values of groups 21, 49, 59 and 99 were all understated by percentages of 0.3306, 0.1409, 0.1122 and 0.0931 respectively, due to a computer malfunction. In numerical terms, the errors ranged from 0.26 to 0.80. The correct index values are:

	Group 21	Group 49	Group 59	Group 99
Aug. 5	234.27	250.47	292.14	279.27
6	230.81	246.11	288.04	275.25
7	232.76	247.76	290.17	276.89
8	233.90	249.66	293.11	279.52
9	234.06	250.08	293.96	279.77
10	234.87	250.50	294.29	280.62
11	232.57	248.45	291.23	278.37
12	233.88	249.16	292.64	279.50
13	236.50	252.02	295.44	282.88
14	236.50	252.97	296.15	284.01
15	237.74	253.63	296.48	284.67
16	239.21	254.95	298.26	286.48
17	242.73	258.19	301.61	289.41
18	243.51	259.24*	302.39*	290.27*
19	244.01*	258.72	301.60	289.79
20	247.78	257.43	299.64	287.99
21	237.25	252.56	294.51	283.11
22	237.83	252.42	294.13	282.75
23	238.15	252.84	294.23	282.83
24	240.75	255.85	297.53	285.94

* 1980 high. † Highest since compilation.

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS	Fri., Sept. 5, 1980										Highs and Lows Index									
	Index No.	Day's Change %	Est. Dividend Yield % (Max.)	Gross Div. Yield % (Act. at 30/9)	Div. P/E Ratio	Index No.	1980	High	Low	High	Low	High	Low	Since Compilation						
<i>Figures in parentheses show number of stocks per section</i>																				
CAPITAL GOODS (21)	286.35	+0.8	15.80	5.77	7.64	284.05	282.64	279.05	280.89	247.59	288.49	(228/80)	206.87	288.49	(228/80)	50.71	(13/27/74)			
Building Materials (28)	253.15	+0.3	18.27	6.74	6.49	259.23	251.12	251.88	251.87	243.24	264.14	(21/7)	194.00	270.52	(85/79)	44.27	(11/27/74)			
Contracting (27)	422.38	+0.6	22.01	5.77	5.39	419.75	416.33	412.75	411.50	390.92	424.31	(22/80)	313.00	451.74	(45/79)	71.48	(20/27/74)			
Electricals (17)	864.94	+1.1	11.14	3.07	11.00	810.51	846.45	831.03	826.70	636.38	848.49	(59/5)	59.56	846.44	(59/80)	84.71	(25/6/82)			
Engineering Contractors (11)	341.91	+0.4	18.19	6.72	6.94	340.46	335.76	332.71	341.91	341.91	346.74	(50/5)	29.70	346.74	(47/79)	43.39	(20/17/74)			
Mechanical Engineering (72)	183.19	+0.3	16.44	7.25	7.39	182.14	182.00	179.14	178.74	170.92	190.20	(18/7)	146.45	190.20	(18/79)	45.43	(6/17/75)			
Metal and Mining (8)	167.09	+0.4	21.08	10.05	5.66	164.49	166.82	162.34	162.10	171.07	171.07	(18/7)	192.29	171.07	(45/79)	46.65	(6/17/75)			
CONSUMER GOODS (DURABLES) (49)	248.67	+1.6	15.07	5.14	9.22	244.78	244.34	241.11	239.28	240.34	246.67	(59/5)	184.82	259.88	(85/79)	36.39	(6/17/75)			
L. Electronics, Radio, TV (4)	384.68	+2.2	12.57	3.66	12.17	374.54	375.83	373.35	366.34	344.11	384.68	(21/7)	247.36	384.68	(85/79)	42.85	(11/27/74)			
Household Goods (4)	89.16	-0.1	27.18	11.49	4.64	89.26	88.67	87.05	87.54	87.05	87.05	(1/1)	87.05	87.05	(85/79)	62.65	(11/27/74)			
Motors and Distributors (21)	100.94	-0.3	21.91	9.31	5.26	101.27	101.02	99.31	99.93	112.66	112.66	(29/1)	94.70	110.51	(15/16/71)	19.92	(4/17/75)			
NON DURABLES (17)	243.31	+0.6	17.03	6.64	7.09	241.91	240.75	235.27	237.28	238.21	240.75	(20/8)	200.15	240.75	(61/79)	61.41	(13/27/74)			
Breweries (14)	219.01	+0.8	15.62	6.33	7.47	288.64	288.26	288.67	290.43	288.67	306.45	(7/1)	292.82	306.45	(85/79)	62.45	(13/27/74)			
Wines and Spirits (5)	330.33	+0.9	18.51	6.17	6.39	327.48	325.14	324.35	328.96	330.33	327.48	(6/1)	276.92	327.48	(29/79)	76.88	(13/27/74)			
Entertainment, Catering (17)	337.95	+0.5	17.17	6.62	7.17	334.05	332.96	331.99	330.39	349.80	374.32	(5/7)	267.87	374.32	(59/79)	54.83	(9/17/75)			
Food Manufacturers (22)	223.31	+0.2	18.12	6.77	6.50	222.53	222.74	218.24	218.14	211.10	223.53	(4/7)	183.95	223.53	(25/79)	59.67	(11/27/74)			
Food Retailing (13)	387.27	+0.9	12.10	4.00	9.85	383.71	383.33	364.63	364.33	362.89	387.27	(3/7)	286.28	387.27	(59/80)	54.25	(12/17/74)			
Newspapers, Publishing (12)	431.84	+0.1	22.27	7.25	6.03	431.84	431.84	427.35	426.59	422.59	438.52	(



FT SHARE INFORMATION SERVICE

FOOD, GROCERIES—Cont.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

ISIC	ISIC	Stock	Price	Yield
100	100	Exchequer 19c 1980	99.5	12.62
101	101	Exchequer 19c 1981	99.5	12.62
102	102	Exchequer 19c 1982	99.5	12.62
103	103	Exchequer 19c 1983	99.5	12.62
104	104	Exchequer 19c 1984	99.5	12.62
105	105	Exchequer 19c 1985	99.5	12.62
106	106	Exchequer 19c 1986	99.5	12.62
107	107	Exchequer 19c 1987	99.5	12.62
108	108	Exchequer 19c 1988	99.5	12.62
109	109	Exchequer 19c 1989	99.5	12.62
110	110	Exchequer 19c 1990	99.5	12.62
111	111	Exchequer 19c 1991	99.5	12.62
112	112	Exchequer 19c 1992	99.5	12.62
113	113	Exchequer 19c 1993	99.5	12.62
114	114	Exchequer 19c 1994	99.5	12.62
115	115	Exchequer 19c 1995	99.5	12.62
116	116	Exchequer 19c 1996	99.5	12.62
117	117	Exchequer 19c 1997	99.5	12.62
118	118	Exchequer 19c 1998	99.5	12.62
119	119	Exchequer 19c 1999	99.5	12.62
120	120	Exchequer 19c 2000	99.5	12.62
121	121	Exchequer 19c 2001	99.5	12.62
122	122	Exchequer 19c 2002	99.5	12.62
123	123	Exchequer 19c 2003	99.5	12.62
124	124	Exchequer 19c 2004	99.5	12.62
125	125	Exchequer 19c 2005	99.5	12.62
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168	168	Exchequer 19c 2048	99.5	12.62
169	169	Exchequer 19c 2049	99.5	12.62
170	170	Exchequer 19c 2050	99.5	12.62
171	171	Exchequer 19c 2051	99.5	12.62
172	172	Exchequer 19c 2052	99.5	12.62
173	173	Exchequer 19c 2053	99.5	12.62
174	174	Exchequer 19c 2054	99.5	12.62
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194	194	Exchequer 19c 2074	99.5	12.62
195	195	Exchequer 19c 2075	99.5	12.62
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197	197	Exchequer 19c 2077	99.5	12.62
198	198	Exchequer 19c 2078	99.5	12.62
199	199	Exchequer 19c 2079	99.5	12.62
200	200	Exchequer 19c 2080	99.5	12.62
201	201	Exchequer 19c 2081	99.5	12.62
202	202	Exchequer 19c 2082	99.5	12.62
203	203	Exchequer 19c 2083	99.5	12.62
204	204	Exchequer 19c 2084	99.5	12.62
205	205	Exchequer 19c 2085	99.5	12.62
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216	216	Exchequer 19c 2096	99.5	12.62
217	217	Exchequer 19c 2097	99.5	12.62
218	218	Exchequer 19c 2098	99.5	12.62
219	219	Exchequer 19c 2099	99.5	12.62
220	220	Exchequer 19c 2100	99.5	12.62
221	221	Exchequer 19c 2101	99.5	12.62
222	222	Exchequer 19c 2102	99.5	12.62
223	223	Exchequer 19c 2103	99.5	12.62
224	224	Exchequer 19c 2104	99.5	12.62
225	225	Exchequer 19c 2105	99.5	12.62
226	226	Exchequer 19c 2106	99.5	12.62
227	227	Exchequer 19c 2107	99.5	12.62
228	228	Exchequer 19c 2108	99.5	12.62



FINANCIAL TIMES

Saturday September 6 1980

MAN OF THE WEEK

The other face of Poland

BY CHRISTOPHER BOBINSKI

AT FIRST GLANCE the contest looks by no means even. Poland's official trade unions have the resources, the people and the equipment. What is more, they have been ordered by the authorities to become "autonomous and self-governing." They have also been told to defend the interests of the working class.

They are faced by Mr. Lech Walesa, the leader of the general strike in Gdansk and for the moment the most prominent figure in the nascent independent trade union movement. Few people, least of all Mr. Walesa himself, would have expected four weeks ago that he would be sitting in a set of rooms at a hotel that has now become the office of the founding committee of the officially recognised new union movement in Gdansk.

Four weeks ago, the 37-year-old Mr. Walesa, an electrician by trade, had a job in an engineering works, a pretty wife, and six children. He was also a member of the "Baltic free



Lech Walesa
His brand of honesty hit the right note

trade union," which was made up from a small group of dissidents and workers much harassed and victimised by the authorities.

In January, Mr. Walesa had been sacked from another job at Elektronotranszit in Gdansk for helping to organise a short-lived strike against staff reduction. In December he had emerged from the back of a lorry outside the main gate of the Lenin shipyard in Gdansk to speak to a crowd of over 5,000 gathered to commemorate the deaths of shipyard workers killed during the strikes and demonstrations against food-price rises in December, 1970. That tragedy is never far from Mr. Walesa's mind.

He was a member of the strike committee in the shipyard then. "I am to an extent responsible for the bloodshed in December, and that strike was badly led," he said. This goes a long way to explaining his readiness to compromise during the negotiations with the Government this time. In fact, both sides wanted to avoid a repeat of 1970. During this strike Mr. Walesa was interested in one thing—new independent self-government unions.

Once he got Government agreement on these, he was ready to give way on other demands. Mr. Walesa sees the new unions as a guarantee that the system will not degenerate; the fact that they will be independent of the party means that the party and the Government will improve. As he said during the talks to Mr. Jagiełski, the chief Government negotiator: "We want our unions because we don't want to keep coming back here every 10 years."

It was Mr. Walesa's strength as a strike leader that he managed to take the men with him whenever a concession had to be made. Some would say that he is a superb manipulator. He worked hard during the strike, constantly going around the shipyards, being seen, and making speeches. After years of mistrust towards officialdom, people were ready for a leader they could trust, and his brand of honesty hit the right note. Wherever he went, he was cheered and applauded.

The man who had been sacked from the shipyard in 1976 for agitation and who was reinstated only at the beginning of this strike in one of the first concessions granted became in no time the central figure. One of his greatest strengths is his instinctive knowledge of the Communist system and the roles by which it is governed. He told reporters that he has been learning about it all his life. That instinct is his greatest asset in the difficult period ahead, when he must put together an independent union movement in the face of competition from the official unions.

Big sale of tap stock as gilt prices rise

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

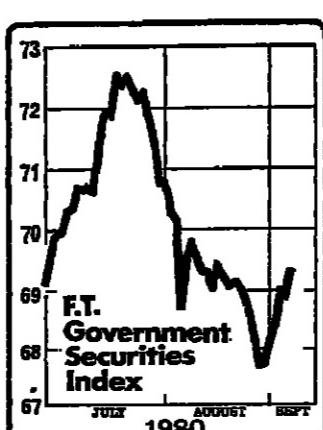
PRICES OF gilt-edged stocks rose sharply yesterday and the Government Broker sold stock on a significant scale for the first time in six weeks.

Gilt prices have recovered strongly over the last week with a 2½ per cent rise in the FT Government Securities index. This follows more than a month of steady decline after the first signs of the big jump in the money supply appeared in July.

The recovery partly reflects the completion of this shake-out rather than any heavy new buying, though there have been reports this week of renewed foreign interest.

The result yesterday was that the Government Broker sold the existing tap stock—Treasury 11½ per cent 1991—at £46 in its partly paid form. This is £4 less than the issue price and £4 less than when he last sold the stock in July.

Some brokers believe that



more than £100m was sold yesterday, so far taking account of earlier sales about 60 per cent of the £6bn stock may now have gone.

The strong price rise was in spite of expectations of City economists that the August

monetary figures, due to be announced on Tuesday, will be poor. On average, analysts are projecting a rise in sterling M3, the broadly defined money supply, of about 3 per cent.

This prospect is being brushed aside by the gilt-edged market on the grounds that the increase largely reflects the unwinding of past distortions. It is generally assumed that the Government will downgrade these figures when deciding on its monetary target for the next year, and that the evidence of a deepening recession will lead to a cut in Minimum Lending Rate in the next few months.

Most analysts believe that a cut is unlikely until the authorities have at least a first sight of the September monetary figures. A reduction in early October is being mentioned with growing frequency.

Editorial Comment, Page 16

UK loses textile exhibition

BY RYHS DAVID, TEXTILES CORRESPONDENT

THE INTERNATIONAL Textile Machinery Association Show, which Birmingham's National Exhibition Centre was due to stage in 1983, has been switched to Milan following misgivings by the European organisers over temporary accommodation which would need to be erected.

The move, agreed at a meeting yesterday in Zurich by the presidents of Cematec—the overall organisation covering textile trade associations in Europe—will mean a loss of well over £100m in revenue for the UK from visitors.

The exhibition is claimed to be the biggest held by any industry in the world. The decision deals a serious setback to UK textile machinery manufacturers.

A total of 150,000 visitors

from all over the world attended the ITMA exhibition at Hanover last year.

A threat to the NEC's staging of the exhibition first emerged in June when Cematec representatives queried the high price being asked for space. The NEC was then believed to be asking exhibitors for £85 a square metre, compared with £60 a square metre at Hanover. There were prospects of further increases in line with inflation.

The higher cost was mainly the result of the need to add a further 90,000 sq m of gross space in temporary buildings to the existing 100,000 sq m.

The NEC was asked by Cematec to reduce its price, and was able to persuade Birmingham City Council to give a guarantee against losses. It also secured a promise of Government financial

support towards the cost of upgrading facilities to compete more effectively for international markets.

As a result, the NEC was able to reduce its price which it also agreed to quote in Swiss francs.

The new price of SwFr 310 a square metre offered by the NEC is understood to have been broadly acceptable to Cematec. But new doubts were raised over the arrangements for accommodating the exhibition after Orbit, the company whose structures were provisionally approved by Cematec, went into liquidation.

Officials of the British Textile Machinery Association, which was to organise the exhibition on behalf of Cematec, were unavailable for comment last night.

Ferguson's equity plan on the grounds that the information was confidential. But officials said the company proposed that the Government should guarantee between £200m and £250m of a planned £500m preferred share issue.

Massey-Ferguson officials let it be known last week that they were optimistic about federal aid, and expected shortly to announce a package deal.

The position of the Canadian federal authority is expected to be echoed by the Ontario Provincial Government.

Mr. Frank Miller, the Provincial Treasurer, said in Toronto that his government

was "keenly interested" in the welfare of Massey-Ferguson. He said he was "gravely concerned" about the company's difficulties, particularly the recent lay-offs involving 5,000 workers.

However, he would not say what possible assistance the Province and Massey-Ferguson had discussed.

Earlier this year, Chrysler of Detroit was given £200m in federal loan guarantees, while Ontario provided a £10m subsidy. But the situation with Massey-Ferguson is different, because as Mr. Miller said, the farm-equipment manufacturer is "basically a sound company."

It is clear the Polish authorities do not wish to allow the TUC to make their own arrangements for a visit and the general council have therefore had to conclude that it is not in the interest of the development of trade unionism in Poland for the TUC to be in a position of having to force the issue of a visit.

TUC cancels trip

Continued from Page 1

written background on Poland to the TUC's international department.

Announcing the unanimous decision of the general council to the conference delegates, Mr. David Basnett, chairman of the TUC economic committee and head of the delegation, said there had been informal talks with the Polish trade union centre in the previous two days when a visit in the programme was discussed.

The TUC had argued that any variation would be "much misunderstood in Britain," whatever the strength of the practical reasons for it.

He said they were shocked by the unilateral decision to announce that the visit would be only for one day by a three-man delegation. This would be of no value to either side and is totally unacceptable to the TUC.

"It is clear the Polish authorities do not wish to allow the TUC to make their own arrangements for a visit and the general council have therefore had to conclude that it is not in the interest of the development of trade unionism in Poland for the TUC to be in a position of having to force the issue of a visit."

Car sales

Continued from Page 1

Ford says it is reducing its imports from continental factories by half during the remainder of this year. In August, the import content of the group's sales rose from 44.6 to 46.27 per cent and, for the eight months, Ford's imports were just under 50 per cent of all the cars it had registered.

In August, Ford's market share was down from 24.11 to 22.61 per cent but, for the eight months, it rose from 27.9 to 30.38 per cent.

Datsun, the most successful of the Japanese imports, had two cars in the "top 10" list of best-selling models, and took 10.98 per cent of the August market against 7.58 a year before. For the first eight months of 1980 as a whole, Datsun's share was 6.74 per cent against 5.72 per cent in January-August, 1980.

Hire purchase sales of new cars in August were sharply up compared with both a month

and a year before. But deals involving second-hand cars fell, according to figures yesterday from Hire Purchase Information.

On new cars, 42,869 contracts were recorded against 27,137 in July and 37,109 a year before. There were only 46,636 contracts relating to second-hand cars, well down from July's 55,745 and the 58,920 of August, 1980.

The pattern was similar for hire-purchase deals for two-wheelers. August saw 9,442 contracts for new scooters and motor-cycles against 7,171 a month earlier, and 8,721 in August last year, with 2,925 contracts on second-hand machines compared with 3,273 and 3,855 respectively.

A total of 3,665 contracts was recorded on new commercial vehicles against 3,629 in July and 4,906 in August, 1979. For second-hand commercial vehicles, the figures were 1,616, 2,004 and 1,993 respectively.

Tough rules on dawn raids

BY CHRISTINE MOR

THE COUNCIL for the Securities Industry is to make stock market "dawn raids" almost impossible by demanding that predators give five days' notice of their intentions.

The surprisingly tough rules, foreshadowed in a statement from the CSI yesterday, take effect at 15 per cent of a company's equity.

Anyone offering to buy more than 5 per cent of a company within a period of five days, if the purchase would take his own stake to 15 per cent or more of the equity, will have to give all shareholders five days to think over the offer.

The buyer may choose to make his offer either by way of a formal partial bid with accompanying documents or by inviting shareholders to tender their shares through the market at a fixed or variable rate price.

There is to be no change to the present trigger point for a full-scale bid. The CSI believes that 30 per cent still remains the appropriate level at which a full offer must be made.

Certain details of the rules will apply on the stock market floor, or if families wish to sell large holdings, have still to be settled.

Meanwhile, until the formal set of rules is published, the "temporary ban" on dawn raids will continue on the CSI's orders.

Agreement on the rules for swift, large-scale market operations was reached at the CSI's emergency council meeting on Thursday.

They go much further than the proposals put forward by the Stock Exchange's special sub-committee and underline the CSI's willingness to interfere in the market "to protect the interests of the target company and its shareholders."

In this the CSI has been firmly supported by the City Capital Markets Committee, an independent body recently restructured by the Bank of England to consider major City issues.

The CMC also published its report on dawn raids yesterday, saying "the interests of all dictate that a delay is required allowing proper information and time for decision and action."

The CSI set up a working party in August to study the implications of the controversial acquisition by De Beers of 25 per cent of Consolidated Gold Fields, 15 per cent of which was bought within hours during a surprise market operation in February.

Details, Page 3

Weather

UK TODAY
MOSTLY cloudy with outbreaks of rain. Dry with sunny intervals in South East.

London, S.E. England, East Anglia, Channel Islands
Mainly dry with sunny intervals. Max. 22°C (72°F).

Midlands, S.W. England, Central N. England, N.E. England, Borders
Bright intervals, becoming cloudy. Max. 20°C (68°F).

Wales, N.W. England
Cloudy, outbreaks of rain. Max. 19°C (66°F).

Scotland
Rain, sunny intervals developing. Max. 17°C (63°F).

Outlook: Unsettled in most places, but mainly dry with some sun in S.E. at first.

WORLDWIDE

	Y'day	midday	midday	midday
	°C	°F	°C	°F
Alejera	25	77	25	77
Algiers	24	72	24	72
Admara	18	64	18	64
Athens	25	77	25	77
Bahrain	37	98	29	84
Barbados	28	82	28	82
Berlin	25	77	25	77
Belfast	25	77	25	77
Belgrade	25	77	25	77
Berlin, C.F.	22	72	22	72
Bieraz	21	70	21	70
Bilbao	18	64	18	64
Bordeaux	18	64	18	64
Boulogne	18	64	18	64
Bristol	15	59	15	59
Brussels	25	77	25	77
Budapest	23	73	23	73
Buenos Aires	23	73	23	73
Cardiff	15	59	15	59
Cat's Eye	21	70	21	70
Chicago	28	82	28	82
Cologne	22	72	22	72
Copenhagen	20	68	20	68
Dublin	22	72	22	72
Dubrovnik	24	74	24	74
Edinburgh	17	63</		